

# The NATIONAL UNDERWRITER

*Life Insurance Edition*

*Mr. Agency Builder:-*

## How Happy Can You Be?

You'll Never Know Until You

Investigate



with

**The GOLDEN RULE COMPANY**

3  
of the  
**10 BIG  
REASONS**



1 **TOP COMMISSION** on 15 leading contracts. Long term vested renewals. Cash bonus and extra renewals to your agents for recommending new agents.



2 **MONEY-MAKING SALES PACKAGES.** New! Colorful! Dynamic! Plus a new, easy-to-use Brain-Book and Brain-Kit. Your agents can't miss!



3 **PACKAGED TRAINING PLANS.** New! Amazingly simple! Easy to use! A quick money-maker for new or old agents!

Ask for Other Reasons-INQUIRIES HELD CONFIDENTIAL

**THE COLUMBUS MUTUAL  
LIFE INSURANCE COMPANY**

Columbus 16, Ohio

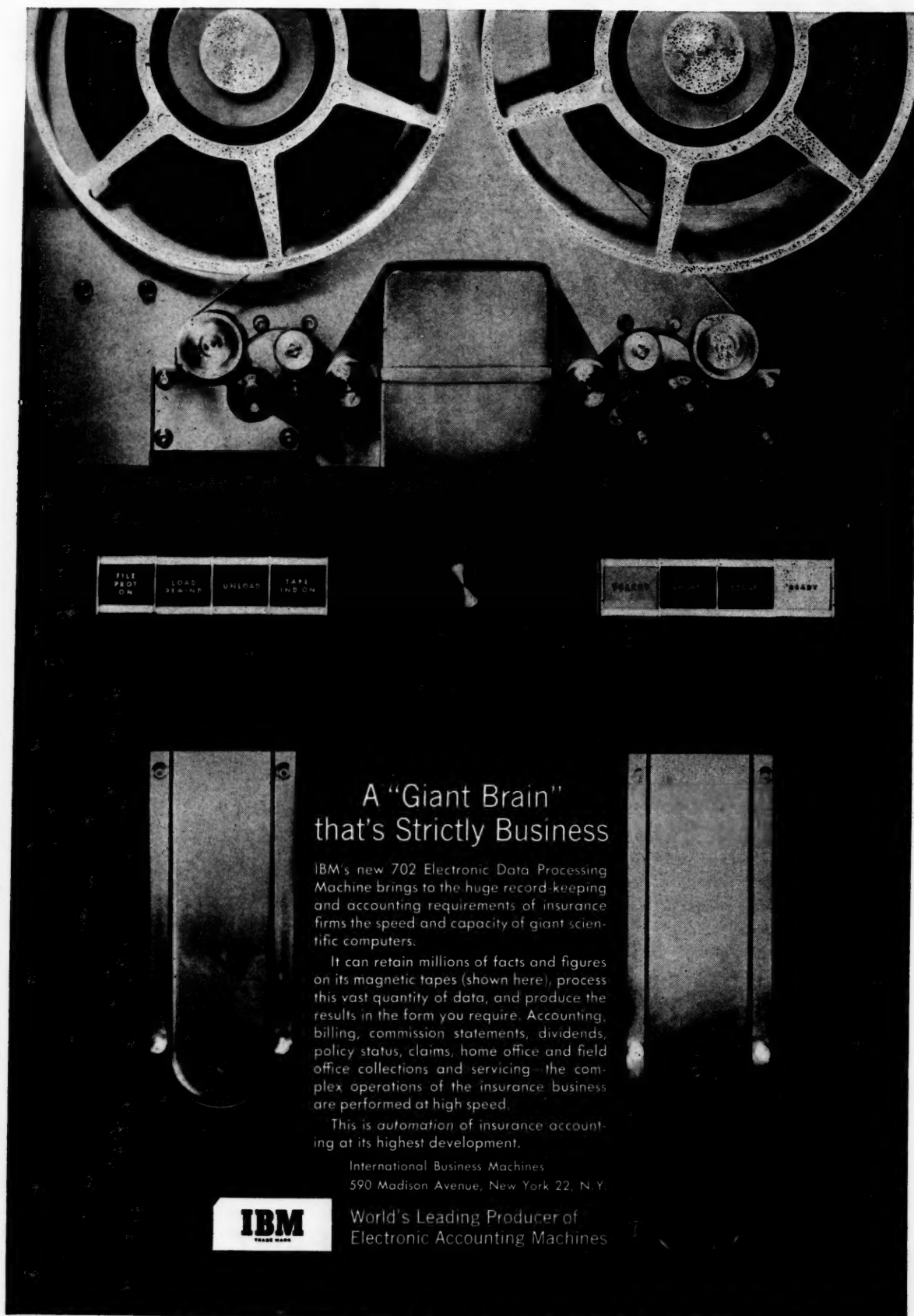
Carl Mitcheltree, Pres.

Ben F. Hadley, Vice-Pres. & Sup't of Agents

**Agency Building  
Opportunities in:**

Arizona, California, Delaware, Florida,  
Illinois, Indiana, Iowa, Kansas, Ken-  
tucky, Maryland, Michigan, New  
Jersey, North Carolina, Ohio, Penn-  
sylvania, Texas, Virginia, Washington  
D. C., and West Virginia

**FRIDAY, JULY 30, 1954**




## A "Giant Brain" that's Strictly Business

IBM's new 702 Electronic Data Processing Machine brings to the huge record-keeping and accounting requirements of insurance firms the speed and capacity of giant scientific computers.

It can retain millions of facts and figures on its magnetic tapes (shown here), process this vast quantity of data, and produce the results in the form you require. Accounting, billing, commission statements, dividends, policy status, claims, home office and field office collections and servicing—the complex operations of the insurance business are performed at high speed.

This is automation of insurance accounting at its highest development.

International Business Machines  
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Electronic Accounting Machines

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# The NATIONAL UNDERWRITER

The National Weekly Newspaper of Life Insurance

58th Year, No. 31  
July 30, 1954

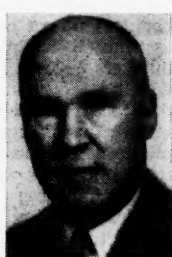
## Equitable Society's 95th Anniversary Attended by 3,300

**President R. D. Murphy  
Lauds Vision, Initiative  
of Company's Founder**

NEW YORK—A banquet attended by more than 3,300 and taxing the Waldorf-Astoria's grand ballroom and all the adjacent meeting rooms climaxed Equitable Society's 95th anniversary



Ray D. Murphy



Alvin B. Dalager

conference here this week. On the ballroom's stage were four tiers of head tables for the top officers, directors, and leading managers and agents, numbering 76 in all. It was a colorful and impressive affair.

Besides the banquet, there were two days of seminars, business sessions, and speeches, followed by a day for visiting the home office.

In his banquet address President Ray D. Murphy paid special tribute to the vision and genius of Henry B. Hyde, Equitable's founder.

Sketching Equitable's beginnings,  
(CONTINUED ON PAGE 14)



Equitable Society opened for business in a one-room office at the rear of this building, at 98 Broadway, New York City, 95 years ago this week.

## Mutual Fund People, Life Group Meet at Boston to Iron Out Differences

**JOINT COMMITTEE IS PLANNED TO TAKE ACTION ON  
INDIVIDUAL COMPLAINTS OF UNFAIR COMPETITION**

**BY ROBERT B. MITCHELL**

A conference attended by representatives of the life insurance business and the mutual funds was held Wednesday at Boston to try to work out a basis of better understanding that will get rid of most, if not all, of the strife that has been going on at the selling level.

The atmosphere was reported as being extremely friendly and cordial. It was decided that a joint committee representing National Assn. of Life Underwriters and National Assn. of Investment Companies be appointed to deal with individual cases where a life agent or a mutual fund salesman feels his competitor on the opposite side of the fence has indulged in undesirable competitive practices. NALU and the National Assn. of Investment Companies will issue a joint statement within a few days.

There was an impressive delegation on hand from the life insurance side, including Holgar J. Johnson, president of the Institute of Life Insurance, Charles J. Zimmerman, managing director of LIAMA, Lester O. Schriver, managing director of National Assn. of Life Underwriters, W. E. Jones, NALU public relations director, Carlyle Dunaway, NALU counsel, General Agent David B. Fluegelman of Connecticut Mutual in New York City, who is chairman of the NALU group committee, Benjamin Salinger, Mutual Benefit Life, New York City, president of the New York State Assn. of Life Underwriters, and Harry Gutmann, Mutual of New York, New York City association president, who has been particularly outspoken in his criticism of companies that write group life insurance to guarantee the completion of installment purchase plans for investing in mutual fund shares.

Taking a prominent part in Wednesday's meeting were some of the New

England life company executives who have been endeavoring to cool off the conflict.

What a conference like the one held Wednesday can accomplish is still uncertain, though it obviously had the merit of getting conflicting viewpoints out on the table and substituting enlightenment for misunderstanding, if it be true that misunderstandings, as the mutual fund people contend, have been a large factor in the controversy.

The basic difficulty is that no matter what high-minded statements may be mutually agreed upon at a conference table, the situation will really be governed by what the individual mutual fund salesman does and what the individual life insurance agent does when battling each other for a prospect. Most life agents, knowing how much life insurance is needed, even with social security, to provide a decent income for the buyer's widow, would almost certainly argue that the "adequate" life insurance the mutual fund people agree should be carried would actually mean a figure so high that only the wealthy few could even consider investing in mutual fund shares.

## Hunt Wins Runoff in Okla. Primary

Joe B. Hunt won the Democratic nomination for Oklahoma insurance commissioner in a runoff primary election this week. He defeated James R. Dickey, no kin to former Commissioner Donald Dickey.

In the November election he will face Charles D. Bay of Enid, the Republican nominee. There never has been a Republican insurance commissioner in Oklahoma.

With the insurance department for 12 years, Mr. Hunt resigned recently as assistant actuary to run for commissioner.

## Late News Bulletins . . .

### Seek To Pump Life Into A&H Reinsurance Bill

WASHINGTON—The administration is trying hard to devise changes in the A&H reinsurance bill that would warrant the House commerce committee, to which the measure has been returned, reporting it out again for another try. Thus far, despite the willing efforts of Chairman Wolverton, nobody has come up with any alteration proposals that are thought to give the bill any better chance than it had before. Apparently the administration, the Department of Health, Education & Welfare in particular, is just trying to make good on campaign promises, as there is understood to be no pressure from the outside to do anything about the bill.

### N. Y. Life Shifts 2 Managers, Names 3rd

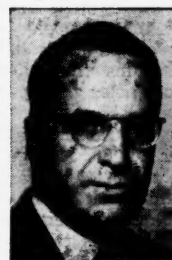
New York Life has appointed Harold K. Goldback, manager at Portland since 1952, as manager at Seattle, succeeding Charles F. Edwards, recently promoted to superintendent of agencies of the north Pacific division. Donald J. Hatch, formerly manager at Stockton, Cal., will succeed Mr. Goldback at Portland, and Robert L. Hunke, training supervisor at the home office, will

(CONTINUED ON PAGE 16)

## N. W. Mutual Sales at New High; 1,800 Attend Agents' Rally

**Fitzgerald Reviews Industry  
Price Competition, Cuts  
in Agents' Commission**

MILWAUKEE—Northwestern Mutual Life's sales for the first six months were up 2.2% over 1953 setting a new high, President Edmund Fitz-



Edmund Fitzgerald



Grant L. Hill

gerald reported at the annual meeting here of the company's Assn. of Agents. Attendance at the gathering broke all records, reaching 1,872 including agents' wives and guests.

Insurance paid for showed a gain of \$5.9 million over last year, Mr. Fitzgerald said. As of June 30 insurance in force was \$7,388,000,000 on 1,525,903 policies, for an average policy of \$4,842.

Mr. Fitzgerald said sustained construction activity and the development of the productive capacity of the country was reflected in the investment experience of Northwestern Mutual. The \$71 million paid out in mortgage loans, more than 60% of which went to the resident loan field, reveals the high level of home construction. At June 30 assets were \$3,141,000,000, including bonds of \$2,113,000,000 and preferred stocks of \$44 million. The mortgage loan account was \$750 million, up \$88 million. Total real estate was \$57 million, policy loans \$93,860,000, and cash \$19,468,000.

The agents' group elected C. Rigdon Robb, Chicago, president. Harry Krueger, New York city general agent, was named 1st vice-president; G. Wendell Dygert, Fort Wayne, Ind., 2nd vice-president, and Lester Wilbert, Milwaukee, secretary. Executive committeemen are John G. Darling, Tulsa; O. Alfred Granum, Emery, Wis.; William H. Marshall, Charleston, W. Va., and Raymond E. Williams, Richmond, Va.

Meeting concurrently, the general agents association elected Kenneth M. Snyder, Omaha, as president to succeed Nelson D. Phelps, Chicago. Glen B. Dorr, Hartford, Willard L. Mommensen, Milwaukee, and L. J. Evans, Portland, Ore. are zone vice-presidents, and Ralph W. Emerson, Kalamazoo, Mich., secretary.

The CLU association advanced Frederick D. Burrell, New York City, to president, succeeding Leigh T. Pretty-

(CONTINUED ON PAGE 12)



## Equitable Society Offers Adjustable Whole Life Policy With \$10,000 Minimum Issue

NEW YORK—Moving into the "special" policy field for the first time, Equitable Society at its 95th anniversary celebration here announced its new "adjustable whole life policy." The policy will be issued on a \$10,000 minimum basis but "we will not impose preferred risk underwriting and will make the special plan available at appropriate extra premiums to substandard lives," said Alvin B. Dalager, senior vice-president in charge of agency affairs, in making the announcement.

The new policy will replace Equitable's ordinary life plan for new issues in amounts of \$10,000 or more. The adjustable whole life policy provides low-premium permanent insurance on a permanent basis. Then, if insured desires, he can increase premiums at age 55 or 10 years after the register date, whichever is later, so that under one option the policy will become paid-up 10 years after the election of the option or by payment of higher additional premiums the policy will endow 10 years after the option's election.

For example, at age 25, the original premium is \$17.46 per \$1,000. At age 55 this would increase to \$32.61 a year per \$1,000 for the paid-up at 65 option or to \$51.42 for the endowment at 65 option. The corresponding figures at age 35 are \$23.41, \$44.37, \$62.84. At 45 they would be \$33.28, \$63.59, and \$81.22, while at age 55 they would be \$50.31, \$76.77, and \$85.50.

Mr. Dalager pointed out that the new plan will provide the policyholder with a contract that lets him change it in

accordance with genuine insurance needs. He observed that many policyholders who, in their earlier years, have as their greatest need the maximum amount of low premium permanent insurance that can be carried find that in their later years they can afford and would like if possible to pay up their insurance during their remaining working years, or to have the insurance mature as an endowment at the end of their working life, with a view to increased retirement income through the use of optional modes of settlement. The special policy reflects these needs by providing the policyholder with the options to adjust his insurance to a paid-up or endowment basis at contractual premium rates.

### Provident Mutual Up 9.87% in Sales for Half-Year

Provident Mutual's paid business during the first six months of the year totalled \$77,287,951, increase 9.87% over the corresponding period of 1953. Insurance in force rose to \$1,607,476,000. New investments for the first three months of the year totalled \$53 million, yielding a 4.17% gross return. Investments showed a gross yield of 3.66% on total ledger assets of \$717,577,000 compared with a 3.55% yield during the first half of 1953.

### Memphis A&H 'Ad' and Sales Code About Ready

Directors of the Memphis Better Business Bureau have approved in principle a 14 point set of ethical

standards to govern the advertising and sale of A&H insurance in the Memphis area. These standards are very substantially those set up by the H&A Underwriters Conference, and follow standards proposed by a fair practices committee for insurance formed last May by the Memphis BBB after a series of articles in the Memphis Press-Scimitar about bad and questionable practices of a minority of A&H sales representatives.

Before these standards become effective in Memphis, the BBB must secure their approval by the A&H insurance business locally. Copies will then be distributed for compliance.

Assn. of Better Business Bureaus regards this as a pilot operation to show that the bureaus can be helpful at the local level in getting practical adherence to nationally developed codes. The Press-Scimitar and Commercial Appeal have expressed willingness to accept any such set of standards, as endorsed, as criteria for accepting or rejecting advertising.

So far as is known Memphis will be the first local community to adopt code of this sort.

### Congress Agrees on Some Points in Revenue Bill of Insurance Interest

WASHINGTON—Under the House-Senate conference committee agreement on internal revenue code revision bill, the House accepted Senate amendments dealing with A&H benefits, with modifications. The House also accepted the Senate amendment striking out the 5 and 10% dividend-received credit for individuals and substituting a 4% credit for dividends received after July 31, 1954 (but limited to 2% of taxable income in 1954 and 4% thereafter).

Conferees indicated their intention to extend the benefits of this credit to dividends received from fire, casualty and title insurance companies taxable under part III of the insurance company provisions. The conferees threw out the provision for relief to corporations on income received from foreign operations. Insurance witnesses before the Senate finance committee had supported this provision. Modifications in the bill's A&H benefit provisions accepted by the House representatives were:

Payments for loss of wages attributable to the first seven days after an illness are to be treated as taxable income but this waiting period will not apply in the case of payments for loss of wages arising from injuries or where an individual is hospitalized for at least one day during the 7-day period. It is made clear that the exclusion for A&H benefits is to apply to non-funded as well as funded employer plans.

The Senate amendment providing that amounts received as reimbursement for medical care are to be excluded if the amounts were expended during the prior taxable year (as well as during the current taxable year) was modified to prevent the individual from taking both a medical expense deduction and the exclusion. As under both the House and Senate bills, employer-financed A&H benefits will be fully exempt if they represent reimbursement for actual medical expenses and are taxable only to the extent of the excess over \$100 if they are compensation for the loss of wages under either an insured or non-insured plan. The requirements of the House bill, however, that the plan be a "qualified" one have been dropped and employer A&H plans however maintained (such as under a state fund or through an employees' association) are to be treated in the same manner as plans financed directly by the employer. A specific rule is provided exempting certain lump sum benefits (such as payments for the loss of a leg) and a waiting period is no longer to be a test of whether or not the plan qualifies for the exclusion.

### GILMORE TO CROW:

## NALU Not Pondering Separate Office or Increase in Dues

NEW YORK—National Assn. of Life Underwriters trustees have not considered the possibility of maintaining a separate office in the New York area should headquarters be moved away from here, nor have they ever discussed a further dues increase being necessitated because of added expenses due to headquarters being located away from the New York City area, according to NALU President Robert C. Gilmore, Jr.

Mr. Gilmore made these statements in replying to a letter from A. D. Crow, general agent of Lincoln National Life at Chicago and national committeeman of the Chicago association. Mr. Crow's letter printed in THE NATIONAL UNDERWRITER July 23, asked whether the booklet put out by the New York City association urging that NALU headquarters be kept in the New York City area was correct (1) in stating that the local association had been "advised" that it would be necessary to maintain a separate office in New York if headquarters were moved away, and (2) in implying that this separate office expense and the greater costs of travel to attend New York City meetings could involve a dues increase.

Mr. Crow asked Mr. Gilmore specifically (1) whether a decision has been made as to the necessity of a "separate office" in the New York area if headquarters are moved away—and if so, by whom, and (2) whether the board of trustees of NALU ever discussed a further dues increase being necessary because of headquarters being moved away from New York.

"The answer to both questions is 'no,'" Mr. Gilmore wrote. "I have not discussed this matter with those people in New York state who were responsible for issuing their booklet, but I am of the opinion that their choice of the underlined words 'we are advised that if NALU headquarters were to be moved away from New York City it would be necessary—' was most ill-advised. I have determined that no one connected with NALU made such an official statement. Perhaps, upon further reflection, those responsible for this New York booklet would agree that the language was unfortunate, and of course, they are free to express themselves in this regard if they wish."

"To my knowledge the only mention that has been made of the possible advisability of some 'separate office' appeared in the report of the committee on headquarters location, submitted to the board of trustees on April 19, 1953, and which stated, in referring to Washington as a possible location for NALU headquarters: 'In the absence of a move to Washington, we shall be put to the expense of the maintenance of a separate office and a full-time representative in Washington.' This reference to a 'separate office' was referred to, at times, on the floor of the national council.

"I do not think that it is necessary for me to comment any further with regard to my categorical negative answer to your second question. While I served on the board of trustees during the past four years, we have never dis-

(CONTINUED ON PAGE 15)

life insurance in force exceeds  
**\$566,000,000.00**

PLUS: One of the most advanced agents training programs in the nation . . . Supervised offices . . . Trained Group men to assist agents . . . An alert Underwriting and home office staff . . . Top commissions.

**REPUBLIC NATIONAL LIFE**  
INSURANCE COMPANY

Theo. P. Beasley, President

Home Office, Dallas

Life  
A & H  
Group  
Franchise  
Hospitalization  
Brokerage  
Reinsurance

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## Record Half Year for Continental Companies Reported

Continental Casualty and Continental Assurance, because of widespread interest in the stock of the two companies, are publishing for the first time their six months' figures. The results in both companies were excellent, President Roy Tuchbreiter said, commenting that the results of the new fire department and the reinsurance department are highly encouraging.

Continental Casualty had an increase in net premiums for the first six months of more than \$11 million and an operating profit before income tax for the six months of \$12,503,422. The operating profit after deducting income tax of \$5,950,000 was \$6,553,422 as compared with \$3,334,481 for the first six months of 1953.

Continental Assurance had a net income of \$3,180,715 for the first six months as compared with \$1,507,471 for the same period of 1953. Its insurance in force for the first half was \$2,693,251,590, a gain over the first six months of last year of \$298,353,652.

Mr. Tuchbreiter reports these are the best six months' figures in the history of both companies.

## 11 Attend Hancock's July Basic School

Eleven agents from El Paso, Seattle, Boston, Fort Worth, Nashville, Philadelphia and Los Angeles took part in John Hancock's July home office basic school at Boston, which stressed on-the-job training. Subjects covered in the two-week school included basic settlement options, mortgage redemptions, social security, sales talks, planning, prospecting, veterans benefits, records and personal efficiency.

Speakers included R. Radcliffe Massey, vice-president of the general agency department; Gordon B. Jones, assistant underwriting director; Howard A. Nelson, manager of the general agency division of the underwriting department; Ernest L. Sullivan, manager of the beneficiary and settlement option division of the policy departments, and Leonard S. Frieden, Norfolk agent.

Instructors were Austin H. Feltus, superintendent of general agencies; E. Wayne Wood, assistant superintendent; Grady H. Forgy, Jr., assistant manager of field training, and William F. Kiel, Jr., assistant manager of field service.

## Abood Replaces Thomas

Connecticut General Life has established a branch at Portland, Me., with Donald E. Abood as manager. Dean E. Thomas, general agent for the company there for more than 36 years, has retired and now will concentrate on personal production.

Joining Connecticut General in 1946, Mr. Abood has been assistant manager at Albany, N. Y. He is an air force veteran.



Donald E. Abood

The new North Shore agency of Prudential at Evanston, Ill., began operations this month in temporary offices at 1580 Sherman avenue. The agency will move to permanent quarters next door early in 1955 when a new bank building is completed. The manager is Alfred A. Gliemi.

## Results for First Six Months Given

	1954 New Life Ins. Bus.	1953 New Life Ins. Bus.	1954 In Force Inc.	1953 In Force Inc.
Bankers Life, Neb.	31,456,102 <sup>1</sup>	31,553,545	15,249,132	19,294,310
Connecticut Mutual	178,731,251	175,150,578	116,668,316	125,056,472
Continental Assurance	212,642,374	190,064,179	106,168,555	218,996,990
Country Life	46,950,214	32,638,374	37,265,150	23,240,519
Iowa Life	24,695,345	13,949,430	19,998,270	10,088,952
Life of Virginia	66,578,444	65,811,468	32,502,348	43,911,581
Mutual Benefit Life	135,900,000	149,200,000	63,000,000	80,900,000
Mutual Life, Canada	88,120,409	76,253,265	66,984,451	72,485,528
North American L. & C.	62,747,840	45,310,481	43,568,555	30,777,513
Occidental Life, Cal.	451,189,191	412,677,752	196,857,798	344,133,406
Old Republic Credit	500,531,922 <sup>2</sup>	428,222,268	136,511,078	77,969,960
Peninsular Life	9,169,585	9,498,692	4,390,681	5,876,033
Penn Mutual	206,052,542	178,398,309	108,265,507	94,941,811
Protective Life	27,508,720	25,758,770	15,786,193	22,194,998
Republic National	96,396,748 <sup>3</sup>	65,698,709	54,048,263	36,357,830
Teachers I. & A.	15,448,705 <sup>4</sup>	13,602,851	7,961,729	8,411,090
United Benefit Life	76,608,817	70,559,185	46,321,137	38,693,431

New business figures include the following amounts of revivals and increases for 1954 and 1953, respectively: <sup>1</sup> \$748,541, not given; <sup>2</sup> \$698,691, \$215,991; <sup>3</sup> \$817,103, not given. <sup>4</sup> New business figures do not include group.

## Brooklyn and Long Island Life Agents Elect Officers

The Brooklyn and Long Island branches of New York City Life Underwriters Assn. have elected officers.

The Brooklyn slate consists of Morris M. Besso, Metropolitan, president; these vice-presidents, George A. Simmons, Phoenix Mutual, administrative, Arthur H. Bikoff, Aetna Life, educational, Edward C. Dohse, Prudential, membership, and Murray S. Klein, Metropolitan, public relations, and Maurice Blond, Mutual Trust, secretary-treasurer.

Long Island officers are Kermit L. Updegrave, New York Life, president, vice-presidents William F. Gildea, Prudential, administrative, Walter J. McDonald, Continental, public relations, Gerald D. Good, Equitable Society, educational, and John J. Pittick, Metropolitan, secretary, and James F. Toal, Massachusetts Mutual, treasurer.

• American Bankers Life of Florida has been licensed in Virginia and Indiana.

## Army Secretary To Be on 'Search' Broadcast

Army Secretary Stevens will be guest speaker on the Institute of Life Insurance-Mutual Broadcasting System program, "The Search That Never Ends" Aug. 3 nationwide and Aug. 7 in New York City. He will stress the continuing military and civilian need for support of the blood donor program.

## Plan Managers Conference in Southwest Oct. 1-2

A southwest management conference at Mineral Wells, Tex., will be conducted Oct. 1-2 by General Agents & Managers Conference of Texas. Managers from Louisiana, New Mexico, Arkansas and Oklahoma as well as from Texas will be invited to attend.

Chairman for the conference, which will feature five nationally-known speakers, is C. E. Gaines, executive associate director of the Southern Methodist University institute.

## Hits NALU Stand On Group Coverage In Mutual Fund Plans

NEW YORK—Efforts of National Assn. of Life Underwriters to obtain legislation outlawing the sale of group coverage to guarantee completion of mutual fund installment purchase programs will get nowhere, the Investment Dealers Digest predicts in an editorial in its July 26 issue.

"If in the planning of an estate an investor wants to make installment purchases of a package that consists of mutual fund shares and Simon-Pure life insurance he will get it," the publication states. "To try to defeat him by legislation displays an ingrowing outlook that is astonishing for the progressive life insurance business."

Referring to the recent statement of Harry Gutmann, Mutual of New York, president of the New York City Life Underwriters Assn., that companies that write group life insurance on mutual fund installment plans are "eating their own young," Investment Dealers Digest says, "Investment bankers could be said to have eaten their own young by going along with the private placement trend. On the other hand, they recognized a relentless trend and swam with it."

Another article in the same issue likens the plight of the agent faced with competition from group-insured mutual funds to that of a mutual fund salesman who has lined up a big bunch of business in a plant, only to find that his boss has sold the plant's management a blanket deal for all hands and left the salesman out in the cold.

Quoting a recent statement by National Assn. of Investment Companies that both life insurance and mutual funds are fulfilling an important public need, the digest says that the situation calls for further study and understanding on both sides. It goes on to say:

"When the war cry of the insurance salesman ceases to be 'Mutual funds own stocks, and when you own stocks you are gambling and when you gamble you are sure to lose all your money,' and when the mutual fund salesman ceases to retaliate with 'Insurance? You have to die to win!' these two great pillars of the American way of life will both profit enormously. Each has too much at stake to let misunderstanding of the other dim its concept of the proper use of both in the building of an estate."

## Seven More Chairmen Named by A&H Agents

Seven more committee chairmen have been named by Leonard McKinnon of the McKinnon & Mooney agency, Flint, Mich., president of International Assn. of A&H Underwriters.

They are: federal legislation, Frank I. Busbee, Monarch Life, Washington, D. C.; Health Insurance Council, Mr. McKinnon and John Galloway, Provident L&A., Birmingham, co-chairmen; cooperation with NALU, R. L. McMillon, Business Men's Assurance, Abilene, Tex.; memorial, Sig Bjornson, State Auto, Moorehead, Minn.; company membership, Tom Callahan, Time, Milwaukee, immediate past president of the association; sustaining membership, Roy Davis, Illinois Mutual Casualty, Peoria, publicity, Robert W. Osler, vice-president Rough Notes Co. (renamed). Six chairmen are yet to be named.

## The COMMONWEALTH Commentary

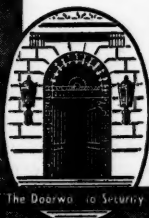
### COMMONWEALTH FIELDMEN PROVE BUSINESS IS GOOD

Each year, in celebration of the issue of the first Commonwealth weekly premium policy, the Fieldforce of the District Office Agencies dedicates the week of June 6th to the production of applications. This year, Commonwealth Fieldmen submitted to the Company 12,062 applications during this one-week June Anniversary Campaign.

Ashland, Kentucky, was the leading District—turning in 1,475 applications, an average of 54.6 per man. The campaign's leading Assistant Manager was R. D. Smith, Ashland, whose staff set a record of 88 applications per man. The leading Underwriter, G. T. Turpin of the Cumberland Valley District, submitted a total of 140 applications during the campaign.

Congratulations to the Fieldmen of the District Office Agencies—a team that can write more than 12,000 applications in one week.

INSURANCE IN FORCE, June 1, 1954 — \$736,261,277



**COMMONWEALTH**  
*Life Insurance Company*

HOME OFFICE • LOUISVILLE, KY.

## "USE WHAT YOU GOT PROFITABLY"

## MDRT Gates Not Hinged With Super Gimmicks, 18-Hour Days, Russo Tells N.W. Mutual Rally

The smart life agent knows that the only way to reach high sales is through constant improvement of all phases of his operation, otherwise he surely will fail, Edward Russo, Baltimore, told the annual meeting in Milwaukee of Northwestern Mutual Life Assn. of Agents.

Miracles are not necessary to successful production, Mr. Russo averred. "I know of no successful producer who possesses any super-human characteristics. As you talk with them and begin to know them, you observe their equipment is just about standard. The difference is that they know how to use it and use it profitably."

Life insurance is easy to sell at the million dollar level, according to Mr. Russo, providing it is done with intelligent application, with logic and simplicity in presentation, and that these are supported by a reasonable work effort.

A fallacy exists in lower production levels that in order to have successful volume in life insurance a man must work day and night and have the endurance and stamina of a superman, the speaker observed. It is constant and intelligent work, rather than a vol-

ume of work, that is responsible for success in selling. The life insurance salesman is fortunate in having the only indispensable commodity one man can urge another to buy.

"We have the only commodity designed by contract to create an immediate estate. In planning for the security of his family, the wage-earner must know this. It is our job to point out to him that there is no substitute."

In selling the miracle of life insurance, Mr. Russo said the system of successful men can generally be divided into two categories: Work habits, and sales methods or techniques that follow the work habits. "I believe proper work habits are responsible for 90% of my sales," he said.

Considering fundamentals in their important relationship to selling success, Mr. Russo particularly mentioned mental attitude, time control, organization, prospecting, cultivation, approaching and interviewing. "My system of operation is based on the application of these fundamentals within my ability and capacity," he pointed out.

Mr. Russo presented the following formula to master fundamentals:

Develop the habit of positive thinking. Know that proper mental attitude is understanding that success or failure is our responsibility and no one else's.

Persistence to work your own work plans pays off better than annoying persistence applied to prospects.

Set up monthly annuity and volume quotas, and monthly commission quotas and work to make them on time. Be diligent and accurate in keeping your records. Work constantly to improve every phase of your operation until you become master of each.

According to Mr. Russo, proper cultivation is the ingredient that enables the seed of a name to grow into a client. Remember that character in prospects is equally as important as ability to pay and have the need. He exhorted the agents to be reasonable in their appraisal of the prospects' situation, advising they use logic and soundness in the problems they expect life insurance to solve.

"If you wish prestige, be industrious, be studious," Mr. Russo suggested. "Knowledge is power only when it is used. Capitalize the worth of knowledge. It's power only when it is used. Capitalize the worth of knowledge by work. Believe completely in your product, demonstrate that belief with your own insurance program. Believe in your company. Be proud of the contribution you make to your clients' welfare and through them to the community as a whole."

A continuous and concentrated effort to master the fundamentals will increase capacity, broaden ability, lead to bigger and better volume and demonstrate clearly that it is easy to sell life insurance, the speaker concluded.

### Fidelity Bankers Names H. J. Richards Executive

Harold J. Richards has been appointed assistant to the president of Fidelity Bankers Life of Richmond, Va. The company is a member of Markel Service group and specializes in credit life and A&H.

Mr. Richards, who will head the production and administrative departments, is a CPA.

### LIAMA School Gives \$100 to NALU Fund

The 128th school in agency management, conducted by LIAMA July 12-23 at Chicago, will not pass into oblivion as an entity, or merely be recorded as a number in a record file.

The 71 men, representing 29 companies, who attended the school contributed more than \$100 to the NALU memorial building fund. The class number thus will be inscribed on the plaque listing principal donors that is to be located in the building.

Another departure from routine was registered when the class, through its elected executive committee headed by Frank Crum, New York Life, Detroit, indicated it would return as a group for another school session in five years.

Brice McEuen, LIAMA director of schools, was in charge of the school and the staff consisted of Lewis W. S. Chapman, director of company relations; Donald Bramley, senior consultant, and William O. Cummings and Charles K. Reid, 2nd, consultants.

LIAMA is completing its current series of schools with another session this week and next at Chicago.

### N. Y. Life Promotes Counsel in N. Y., Chicago

Three counsel and four assistant counsel have been appointed in the office of general counsel of New York Life. Also John F. Denissen has been named assistant counsel in the company's Chicago law office.

Attorneys Bernard E. Docherty, Earl S. MacArthur and Philip J. Lynch, who also was an administrative assistant, were promoted to counsel and M. Frank Amann, Irving D. Burnstein, John F. Gleason and James V. Phelan to assistant counsel. Mr. Denissen has been an attorney in the company's Chicago office since 1925 and in charge of the office since 1942.

### Koetter Made Brokerage Manager

Kay C. Koetter has been named brokerage manager for Occidental Life of California at St. Louis. A veteran of the last war, Mr. Koetter entered insurance with Phoenix Mutual in 1948, going with Occidental at St. Louis last year as assistant brokerage manager.

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THE BOURSE PHILADELPHIA



"LOCH VALE, COLORADO" by Ted Kautzky is one of the six paintings which will be featured on Provident Mutual's 1955 wall calendar. The paintings were selected by the calendar committee, home office employees and members of Philadelphia agencies, from 65 submitted. The calendar measures approximately 13" by 20½" and consists of six sheets, two months to a page. Other artists represented are Ranulph Byle, Leon Soderston, James Ashley, Letha Ross and Carl Wuermer.

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## Indiana Agents Carry Fight Against Wider SS Benefits to Senate

The livelihood of the life underwriter is in imminent danger, and "we are rapidly approaching the place where it will be impossible for the new man to make a living in the business," Francis Davis, Indianapolis Life general agent at Marion, president of Indiana Assn. of Life Underwriters, charged in a letter to Senator Capehart (R., Ind.) this week.

Mr. Davis, who had wired Capehart the association's view of the social security bill, had received assurances from the senator, chairman of the powerful banking and finance committee of the Senate, that the views of the Indiana association would be presented to that committee.

"We are concerned with the continued encroachment of the government in our business," Mr. Davis wrote. "Our livelihood is in danger. We are rapidly moving to the place where it will be impossible for a young man to make a living in the life insurance business. This will be a tragedy for the thousands of policyholders now owning life insurance contracts. They will be deprived of the personal service that is as important in life insurance as it is in medicine."

"Enclosed," Mr. Davis concluded, "is an editorial from THE NATIONAL UNDERWRITER, of July 9, 1954, entitled, 'Right to Live a Potent Plea.' It speaks the feelings of this association."

The Indiana association has been fighting the changes in the social security bill now opposed by NALU since last summer. At that time it held personal consultations with Senator Capehart. In the fall, before introduction of the administration's bill, it met with Rep. Halleck personally and outlined its objections to the then newly-proposed social security changes and to the health reinsurance bill. Oren Pritchard, manager of Union Central at Indianapolis, national committeeman and legislative chairman of the Indiana group, and a member of the federal law and legislation committee of NALU, is on record as charging that NALU concentrated so much on aiding passage of the favorable revenue bill that it failed to see in time that the bills to amend social security, to establish health reinsurance, and to set up a system of special-privilege group insurance for federal employees would more than offset all the gains under the revenue bill.

## N.E. Mutual Promotes

### Robert Fitzwilliam

Robert J. Fitzwilliam has been named by New England Mutual as assistant counsel. After a year as a clerk in the second circuit federal court of appeals, he joined the law department of New York Life in 1947 and was in its trial division until his transfer to New England Mutual as attorney in 1951.

## Standard, Ore., Names Two

Standard of Oregon has appointed H. Austin Belknap Utah manager with headquarters in Salt Lake City, and Fred H. Tseu Hawaii manager with Honolulu headquarters. Mr. Belknap has been in insurance since 1948 and Mr. Tseu since 1946.

## Liberalizes Aviation Rules

Under a new Connecticut General Life underwriting program for non-

professional civilian pilots many now will qualify for full coverage at an annual extra premium of \$2.50 per thousand, consideration being given to pilot experience and annual flying time.

Student pilots will be eligible for full coverage with a rating of \$5 per thousand. Aviation extra premiums will be further reduced on endowment forms maturing in 20 years or less.

Pilot applicants have the option of accepting a standard policy which includes a partial aviation exclusion. Waiver of premium disability is generally available. Additional accidental death coverage is offered in most cases.

## Great-West at Sales High: Alters Investment Stress

Sales of new insurance and annuities were a record \$197 million for Great-West Life for the first six months of 1954. New sales were 7% ahead of the same period last year, total business in force passed the \$2.5 billion mark and assets reached \$495 million, an increase of \$14 million for the first six months.

With expansion of credit in the U.S. bringing about a decline in the general interest rate and the rise in bond prices in both Canada and the U. S., H. W. Manning, vice-president and managing

director, said Great-West made a substantial sale of government bonds and reinvested the funds in mortgages, properties and corporation securities. Mortgages and properties now comprise more than one-third of the company's assets. Despite the decline in the interest rate level, Great-West's net rate was up slightly at 3.87%.

Both the company's group and A&H departments had their best six-month periods. During the period the company made major medical expense coverage available to groups with 100 or more employees and as experience is gathered it may be written for smaller firms.

## EMPLOYERS ARE READING ABOUT—

# MONEY MODULE

...the first and only complete Employee-Benefit Plan specially designed for smaller employee groups

### MONEY MODULE

is a completely new multiprotection plan.

In one package, it offers various combinations of:

1. Retirement pension for the employee.
2. Death benefits for his dependents.
3. Income to his widow to supplement Social Security.
4. Disability income for the employee.
5. Hospital and surgical benefits for the employee and his family.

The word "MODULE" means "unit." MONEY MODULE is made up of basic units of insurance and retirement benefits. It's a "build-your-own, unit-by-unit" plan providing the desirable combination and amount of benefits.

Until the invention of MONEY MODULE, there was no comprehensive employee-benefit plan specially designed for small groups. Group insurance and annuities—as conventionally used by larger organizations—do not adequately meet the need in a smaller firm. And retirement plans for small groups using regular retirement policies are often inflexible and expensive.

Yet a good employee-benefit plan is one of the most important assets of any company. It keeps employee morale high, makes people proud of the company they work for, reduces costly turnover, and gives workers a feeling that they count as individuals—all of which is good for productivity.

Now, these advantages are no longer enjoyed exclusively by large firms. For, with MONEY MODULE, the smaller business can meet the larger companies on their own ground—offer employee benefits even more attractive than those the competition offers, at the right price!

It's often possible to cover employee groups of as few as 10 to 25 people. And MONEY MODULE employee-benefit plans have been installed at costs ranging from 1% to 10% of pay roll. In some cases, part of this cost has been covered by employee contributions.

### Electronic "Brain" Makes MONEY MODULE possible.

New electronic equipment handles the complex "paper-work" of this amazingly flexible plan so speedily and so efficiently that MONEY can pass on the resulting savings and benefits of unit construction!

### Check these important advantages of MONEY MODULE

1. Costs less! More benefits for less cost than other plans for small business firms!
2. Covers older employees! Older employees can be given adequate benefits without undue initial heavy investment!
3. Unit costs grow smaller as plan grows larger! Because of its unique structure, MONEY MODULE can reduce the unit cost per person as the average size of the benefit per person and number of lives covered increase.

## FLEXIBLE • ADAPTABLE • ECONOMICAL • EFFICIENT

Send for full details—today! Mutual of New York is the only life insurance company that offers this unique plan. Let a MONEY representative show you why it is the most beneficial, most flexible, most inexpensive employee-benefit plan ever offered to smaller business firms. Just mail the coupon.

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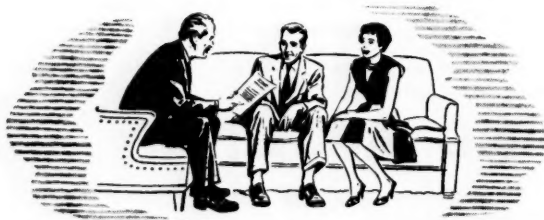
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A WELL-BALANCED COMPANY



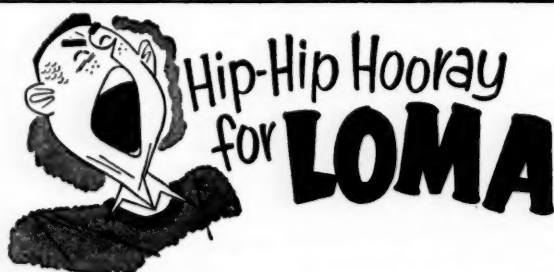
## Family Counselor . . .

The Life Underwriter helps in the making of plans for the welfare and security of the family.

Fidelity is proud of its life underwriters and family counselors and of the great job they are doing in the field.



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Life Office Management Association  
is truly a cooperative organization.  
Through research, educational projects,  
and exchange of information by member  
companies, LOMA continuously improves  
office operation and employee effectiveness.

Life Insurance Company of Georgia  
has gained much through LOMA.  
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OVER A BILLION DOLLARS LIFE INSURANCE IN FORCE

## Stock Retirement Plan Advantages Are Told

Stock retirement plans, in preference to an agreement between stockholders alone, are becoming more attractive to owners of close corporations largely because of the impact of income taxes, Paul Brower, advanced underwriting specialist in the sales department of Mutual Life, told 75 agents attending the life underwriting school at Storrs, co-sponsored by Connecticut Assn. of Life Underwriters and University of Connecticut's school of business administration.

He emphasized use of the corporate dollar to help stockholders in close corporations in their business and personal insurance planning. He said there were three gauges an underwriter could use to decide which plan of business insurance would be most favorable for stockholders as respects income tax.

If salaries of stockholders can be increased, and if the personal income tax bracket of the stockholders is less than the tax bracket reached by the corporation, use the stock purchase or criss-cross plan.

If salaries can be increased, but if the personal income tax bracket of the stockholders is already higher, or would be higher, than the tax bracket reached by the corporation, because of the increase, use the stock retirement plan.

If salaries cannot be increased, and if stockholders cannot afford to pay for the premiums personally out of their present spendable income, use the stock retirement plan.

Assume that there are three stockholders—A, B and C. They have agreed that if one dies, his family is to be paid off and the surviving stockholders are to become the owners of the business under a stock retirement agreement. Let's say B dies. The corporation, under the agreement, is obligated to buy B's stock. B's executor is obligated to sell it at the price set out in the agreement.

The corporation, through proper representation, will call on B's executor and request delivery of the stock. The executor will deliver this upon receiving the purchase price in cash. The corporation has the purchase price, since it has just collected the face amount of the policy on B's life. B's family will look to the executor for distribution of the cash. The corporation, on receiving the stock, will either retire it or hold it as treasury stock. Usually, the agreement does not say which, as it is a matter for the corporation itself to decide when it chooses to.

Under a stock retirement plan, he said, all parties have been dealt with fairly. The surviving stockholders own the entire business—the family of the deceased stockholder is compensated through the insurance proceeds turned over to the estate by the corporation.

Stockholders in close corporations get their money out of the corporation in two ways—dividends and salaries. They pay income tax on both, though the corporation gets a deduction only for salaries. If the amount of either of these two items is increased, obviously the stockholders will have to pay a greater income tax. Since the stock retirement plan calls for the corporation to pay the premiums, neither dividends nor salaries will have to be increased and individual taxes can be held down.

## National L&A Names 3 to New Territories

National Life & Accident has appointed Tom P. Henderson, Jr., manager at Nashville since 1938, as manager of a new southwest territory; R. D. Outten, manager at Hamilton, O., since



R. D. Outten



Tom P. Henderson, Jr.

1948, to succeed Mr. Henderson at Nashville, and R. A. Sobel, formerly manager of the Texas territory, as manager of a new Gulf Coast territory.

The new southwest territory will comprise north Texas and all of Arkansas and Oklahoma and will include 28 district offices. South Texas and Louisiana, embracing 29 district offices, will become the Gulf Coast territory.

These moves, dividing the field into seven territories, each having 28 to 31 districts, will make for a more compact territorial arrangement and a more even distribution of field supervision responsibilities.

Mr. Henderson has been with National L&A for 20 years. He is immediate past president of Nashville Assn. of Life Underwriters and a past president of Nashville General Agents & Managers Assn. He is also chairman of the executive committee of Davidson county chapter of the Cancer Society. An outstanding college athlete, he was named by Grantland Rice in 1932 to his All-American squad.

Mr. Outten, also a 20-year man, started at Huntington, W. Va., and in 1946 became supervisor in the eastern territory. He recently was commissioned a colonel on the staff of the governor of his native state of Kentucky.

## Hancock Names Wylie to Succeed Babineau

After 40 years of service with John Hancock Mutual, A. J. Babineau, district manager at Fitchburg, Mass., since 1935, is retiring. He will be succeeded by Charles B. Wylie, district manager at Kalamazoo, Mich.

Mr. Babineau joined the Fitchburg office in 1914, advancing to assistant district manager in 1916, and to district manager at Concord, N. H., in 1927.

Succeeding Mr. Wylie at Kalamazoo is Robert I. Reardon, assistant district manager at Nassau West, N. Y.

## Mrs. Harriet French Retires

Mrs. Harriet O. French, for 15 years California deputy commissioner in charge of the Sacramento office, has retired under the civil service retirement rules. Her successor is John H. Herbert, who has been deputy commissioner at San Diego.

## INFORMATION WANTED

We are seeking the name of any life insurance company which paid a claim on the life of Harry J. Hesley of Pittsfield, Ill., who died May 12, 1952.

If you have such information, please notify the Farmers' State Bank, Pittsfield, Illinois.

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## Biggest Banks Shun Loans on Agents' Renewals But Smaller Ones Seek Them

The reluctance of the larger banks to lend money on life agents' renewal commissions is a curious phenomenon to those who appreciate the basic soundness of this form of collateral. It is often possible to get such loans from the big banks but they usually take it only as an accommodation.

On the other hand, money brokers find a ready source of money among the medium sized banks and out of town banks that are looking for ways to build up their assets and do not insist on the large-scale units that many of the big banks feel they must have in order to justify a loan.

The usual rates here are 4 to 5% discount, with loans being repaid on a regularly amortizing basis which makes the rate roughly equivalent to a simple interest rate of 8 to 10%.

However, the repayments do not have to be on a monthly basis. It is usually more convenient for the borrower to assign his renewals and let the payment be made out of them as they come in to the assignee. This gears the repayment in with the receipt of the renewals.

A bank will ordinarily lend 30 to 40% of the entire renewal account that is being pledged. For example, if an agent has \$4,000 coming in in the next 12 months, \$3,500 in the following year and the entire renewal account adds to \$10,000 the bank would probably lend around \$4,000.

A bank might well do even better than 40% but if it did it would probably be relying considerably on the character of the borrower. This is always a factor anyway but anything over about 40% becomes to that extent an unsecured loan in the banker's mind. The bank takes into account the company's estimate of the renewal account's present value, discounted for interest and persistency. It also scrutinizes the agent's record, for not only is the total amount of the renewal account important but the story it tells about the agent's method of doing business. For example, a big bulge in any one month might indicate a single large case that would seriously undermine the security behind the loan if it were to lapse.

While a loan is supposed to be paid down as the renewals come in, as a practical matter an agent often keeps adding to the loan so that he has about the same amount involved right along as he gets the additional renewals to support it. The bank is likely to give more liberal treatment as a borrower shows himself to be conscientious about paying off.

Ordinarily the banks require that renewal commissions be both vested and assignable. Most companies are quite cooperative about agreeing to an assignment. A few companies make it the sole responsibility of a general agent to take care of such matters, regarding the assignment as something strictly between the agent and general agent. However, even this is not an insuperable obstacle.

Usually the lending bank has recourse against new commissions as well as those that are assigned at the time of the loan although the custom is for the agreement to read that the bank will take no recourse against new commissions unless there is a failure on the part of the obligee to handle the indebtedness as specified in the agreement.

A big reason why the largest banks

are not much interested in renewal commission loans is doubtless the small average size of such loans. One expert estimates that the average is around \$500 because the agent who has a really sizeable renewal account usually has other property on which he can borrow at lower rates.

## Hancock, Metropolitan Ads Cited by Magazine

John Hancock and Metropolitan Life were among the top five major corporations cited by *Saturday Review of Literature* for "distinguished advertising in the public interest." It was the second time for the John Hancock's "Know America Better" series.

## Six New Texas Insurers

Six new Texas life companies have been licensed by the insurance department. All will write both life and A&H. Atlas Life & Accident of Dallas is starting with capital of \$25,000 and surplus of \$12,500. John N. Savage is pres-

ident and John W. Whitmon, secretary.

Located at Waxahachia, Christian Fidelity Life is beginning with capital of \$49,990 and a similar amount of surplus. A. C. Bates is president and Klaunder Kendrick, secretary.

Farm Labor Life, San Antonio, has capital of \$25,000 and surplus of \$12,500. The president is N. S. Lehman and the secretary is Gerald Lehman.

Guardian General Life of Corpus Christi, headed by George J. McMahon as president and Genevieve Halberier as secretary, starts with \$150,000 capital and \$50,000 surplus.

Old Legal Security Life, Hawkins, has capital of \$25,000 and surplus of \$12,500. Its president is W. C. Spain and the secretary is William N. Bowen.

Beginning in Houston with \$25,000 surplus is Union National Life, headed by Leonard Schnurr, president, and Norman J. Schnurr, secretary.

## Davis Is Huey Successor

General American Life has appointed Lester R. Davis general agent at Manhattan, Kan. He succeeds Fred M. Huey who is continuing with the agency as a district manager, concentrating on personal production.

Mr. Davis entered insurance in 1952 with Phoenix Mutual Life at Independence, Kan. He is an army veteran.

## Southwestern Life Registers Best 6-Month Sales Total

Southwestern Life paid new business for the first six months totalled \$87,632,194, higher than any previous comparable period. This was a gain of \$3,413,716 over the first six months of 1953. Insurance in force at June 30 was \$1,114,066,812, a six month gain of more than \$49 million.

## Monumental Life Promotes A.A. Davis, Jr., to V-P

Monumental Life has promoted Allen A. Davis, Jr., to vice-president and counsel.

With the company since 1946, Mr. Davis has been counsel since 1948. He is an air force veteran.

## Buy Gas Co. Bonds, Stock

Berkshire Life, Fidelity Mutual and Teachers Insurance & Annuity are among the purchasers from Pittsburgh Coal Gas Co. of \$1,330,000 first mortgage 4% bonds due 1979 and 7,500 shares of \$100 par 5% preferred stock. Proceeds are to be used to purchase Berkshire Gas Co. and to refund the company's presently outstanding notes.

## LIFE WITH PROVIDENT

### Production Possibilities in Pensions

Many Provident Life Producers are using the advantages of Provident pension plans to build an excellent volume of quality life business. They can offer a plan which is individually designed to meet the client's needs . . . they can offer an attractive flexibility in employer payments . . . and a combination of a guaranteed interest accumulation of  $2\frac{3}{4}\%$  on employer deposits and ordinary life policies with high cash values and favorable conversion guarantees . . . plus, of course, close Home Office cooperation. Provident life men who specialize in this business are among our leading and most successful producers.



**PROVIDENT LIFE & ACCIDENT INSURANCE COMPANY**

*Chattanooga - Since 1887*

LIFE ACCIDENT SICKNESS HOSPITAL SURGICAL MEDICAL

## EDITORIAL COMMENT

### Mutual Funds Statement on Insurance

Despite considerable provocation to do otherwise, the National Assn. of Investment Companies has issued a statement aimed at taking the heat out of the rivalry between mutual fund salesmen and life insurance agents rather than coming back with a sharp answer to some of the criticisms that the funds have been getting from some life agents.

The statement was put out over the signature of Edward B. Burr, the association's director of public information, who until quite recently was director of education of Institute of Life Insurance. Mr. Burr is to be congratulated on the sound public relations principles that shine forth from this declaration.

It is the opinion of the National Assn. of Investment Companies that, as Mr. Burr's statement puts it, "there is no fundamental conflict of interests between mutual funds and life insurance. Each business is fulfilling an important public need, in its own field and subject to the most stringent public regulations... It is our view that the services of these two industries are complementary, and not basically competitive. This concept is recognized in the sales literature of most mutual fund sponsors, who stress the ownership of adequate cash savings and adequate life insurance before investment in mutual fund shares."

It is obviously true that the two industries are not, in a broad sense, competitive: It is impossible to do with mutual funds what life insurance does and certainly no one should attempt to use life insurance for the sort of result he might expect to obtain through mutual fund.

The rivalry between these two types of institutions is not so much as to whether they are basically competitive in character or not. It is in the actual selling process. It is difficult for a salesman of any commodity not to be enthusiastic about his own product. Perhaps it is no more reasonable to criticize the mutual fund salesman for corraling dollars that should properly go into life insurance premiums than it is to censure a Cadillac salesman for not telling his eager prospect to go buy himself a Hillman Minx and invest the difference in cost and upkeep in a life insurance policy.

Yet, for some reason the mutual fund salesman is likely to appear as the arch-rival of the life agent, probably

because there have been cases in which money that a prospect intended or seriously considered putting into life insurance was, through skillful selling, channelled into mutual funds instead. There have even been instances of fund salesmen getting prospects to give up their investment type policies, cut them down to a protection-only basis, and put the difference into mutual funds. It doesn't take much of that sort of thing to make the life agents feel that the "not basically competitive" viewpoint is something that mutual funds salesmen are supposed to know about but not take too seriously in practice.

The National Assn. of Investment Companies, like previous spokesmen for individual mutual funds, says "adequate life insurance" is something that should come before investment in mutual funds shares. But how much is "adequate"? Even with the new social security bill proposed increases, it will still take quite a lot of life insurance to keep a family man's death from being a financial disaster to his family.

"Adequate" of course varies with each insured's situation. However, the Institute of Life Insurance has worked out some figures that might serve as a rough guide. The institute says a man age 40 earning \$15,000 and supporting a wife and two minor children should be paying about \$780 a year for some \$50,000 of life insurance. This should be set up as a \$1,750 clean-up fund and \$8,500 mortgage insurance protection; a \$350 monthly income for the widow for six years, then \$308 monthly (including social security benefits) for four years; \$180 monthly until the youngest child is 20 and \$31,000 in cash to provide the widow \$120 a month for life.

In this example the policies to provide the fund would include a \$10,000 NSLI policy bought when the insured went into the army and converted to ordinary life at age 32; \$9,000 group insurance through his employer; and \$8,500 term insurance for the home mortgage, bought at age 35; \$1,500 ordinary life bought at age 20; \$6,000 ordinary life bought age 27; \$15,000 family income policies, which \$10,000 was bought at 32 and \$5,000 bought at 35.

The income that would be provided to the widow by the above program would certainly keep her off relief. But just as certainly it would be quite a sharp come-down from an annual

income, even before taxes, of \$15,000, which is \$1,250 a month. Even assuming that papa lavished money on himself and paid the substantial tax he would have to on \$15,000 income, the little woman would have to make a lot of adjustments in living standards when her husband was no longer, as the saying is, in the picture.

Yet we doubt that mutual fund salesmen confine themselves to prospects who are at least as well covered as the gentleman in the foregoing example.

President Holgar J. Johnson of the institute believes that each family, as a general rule, should be insured for an amount about equal to four times his annual income, with premiums about 6% of his earnings. For bare minimum life insurance needs the institute has worked out the following figures. For an annual income of \$5,000, insurance should be \$20,000, with average annual net costs \$300. At age 30 the cost would be \$330. For \$7,500 income the face amount would be \$30,000 with the cost ranging from \$450 to \$550 and an age range of 30 to 40. For \$10,000 income, cost range \$600 to \$700. Income \$15,000, age range 35 to 40, \$50,000 of insurance, cost range \$750 to \$850. Income \$25,000, age range 35 to 55, \$90,000 face amount, cost range, \$1,500 to \$2,500. Income \$35,000, age range 40 to 50,

\$120,000 face amount, \$2,000 to \$3,200 annual cost. Income \$50,000, age range 45 to 55, \$170,000 face amount, net cost range \$3,200 to \$5,000.

There are some "adequate" figures for mutual fund salesmen to think about when soliciting prospects. Naturally, such figures cannot be regarded as an infallible formula but they will serve as a starting point. They serve to establish what scientists would refer to as the "order of magnitude." We do not believe that the mutual fund people, however good their intentions, have been thinking of life insurance ownership of the proper order of magnitude to be really "adequate."

All this may seem to indicate a bias on our part in favor of life insurance and to indicate we think the mutual fund salesmen are, what would be called by watchers of movie westerns, the "bad guys", while the life insurance salesmen are the "good guys." But the truth is that the life agent is always fighting a losing battle against man's natural wish to put present enjoyment before adequate provision for his family and it takes a lot of premium outlay to provide even a half-way decent life insurance program. It is only natural that anybody who tries to get in the way of that program, even unintentionally, seems to the life agent to be one of the "bad guys."

## PERSONAL SIDE OF THE BUSINESS

Col. Maurice R. Smith, assistant superintendent of agencies for Kansas City Life, received a second Oak Leaf cluster to a commendation medal in ceremonies at Grand View air force base, Mo., marking his retirement from air force reserves. Lieut. Gen. R. W. Harper referred to Col. Smith's "brilliant military career as a pioneer of aviation." He served notably in both world wars. Recently he was put in charge of all Kansas City Life agencies in the Kansas City, Mo., and Kansas City, Kan., metropolitan areas and nearby counties.

Karl Ljung, vice-president in charge of agency operations of Jefferson Standard Life, has been elected a national counsellor of National Sales Executives Organization. He has been a member of the organization more than 10 years and was instrumental in developing the group in North Carolina.

James R. Curtis, president of National Security of Texas, was elected governor of District 2-X of Lions International at its convention in Waco. The district is the organization's largest.

For President Ray D. Murphy Equitable Society's 95th anniversary cele-

bration this week was shadowed by the death of his brother, Lambert Murphy, two days before the conference opened. Mr. Lambert Murphy was a former Metropolitan Opera tenor, concert and oratorio soloist and one of the earliest operatic recording artists.

He was one of the first Americans to win an appointment with the Metropolitan without benefit of a European reputation. A throat operation a decade ago ended his singing career.

Warren J. Moore, vice-president of Old Line Life, is marking his 40th anniversary with the company. He has been a vice-president since 1951. Currently he is vice-president of Life Office Management Assn.

Daniel R. Ackerman, chairman of Great American, and Mrs. Ackerman sailed on S. S. Santa Margarita for Rio De Janeiro to attend the Hemispheric insurance conference. Mr. Ackerman will also visit Great American offices in Rio De Janeiro and Santiago, Chile, and in Buenos Aires.

Powell B. McHaney, president of General American Life, has been appointed by Mayor Tucker of St. Louis

### THE NATIONAL UNDERWRITER

—Life Insurance Edition  
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BOSTON 11, MASS.—207 Essex St., Rm. 421. Tel. Liberty 2-1402. Roy H. Lang, New England Manager.

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DETROIT 26, MICH.—607 Lafayette Bldg., Tel. Woodward 1-2344. A. J. Edwards, Resident Manager.

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MINNEAPOLIS 2, MINN.—558 Northwestern Bank Bldg., Tel. Main 5417. Howard J. Meyer, Resident Manager.

NEW YORK 38, N. Y.—99 John Street, Room 1103, Tel. Beekman 3-3958. Ralph E. Richman, Vice-Pres.; J. T. Curtin, Resident Manager.

Howard J. Burridge, President.  
Louis H. Martin, Vice-President.  
Joseph H. Head, Secretary.  
John Z. Herschede, Treasurer.  
420 E. Fourth St., Cincinnati 2, Ohio.

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PHILADELPHIA 9, PA.—123 S. Broad Street, Room 1127, Tel. Pennypacker 5-3706. E. H. Fredrikson, Resident Manager.  
PITTSBURGH 22, PA.—303 Columbia Bldg., Tel. Court 1-2494. Bernard J. Gold, Resident Manager.  
SAN FRANCISCO 4, CAL.—Flatiron Bldg., 544 Market St., Tel. Exbrook 2-3054. F. W. Bland, Pacific Coast Manager.

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ARTHUR at Miami there. He at Washin manager a andria, Va

FRED A a New Yor at age 72.



to lead a non-partisan campaign for "home rule" handling of a city earnings tax. If successful, city aldermen would be given authority to levy a tax without going to the state legislature.

**John L. McCrea**, 2nd vice-president of John Hancock, has been appointed chairman of the bill of rights committee of the Boston Bar Assn. A primary function of the committee is to investigate alleged violations, actual or threatened, of the bill of rights, as they might go undefended.

**Howard J. Brace**, vice-president of Occidental Life of California, has been named chairman of the insurance committee of the Los Angeles Better Business Bureau.

**John R. Mage**, general agent for Northwestern Mutual Life at Los Angeles, who has headed the 1954 Heart Fund of Los Angeles County Heart Assn., has been reappointed to the same post for the 1955 fund campaign, to start next February. Under Mr. Mage's direction, \$520,000 was raised in this year's campaign.

## DEATHS

**VAN L. BURNETT**, 67, an agency supervisor of Jackson Mutual Life of Chicago since 1952, died there at his home. Mr. Burnett was one of the founders in 1925 of Protective Mutual Life. He was vice-president and agency director until that company was reinsured by Jackson in 1950.

**EDWIN C. FORSYTHE**, 47, of the Midtown agency of John Hancock Mutual, Chicago, died there suddenly at St. Anthony's hospital. Mr. Forsythe had been an agent for the company for 9½ years.

**ARTHUR W. GREER**, 46, manager at Miami for Life of Virginia, died there. He joined the company in 1931 at Washington, D. C., and had been manager at Durham, N. C., and Alexandria, Va., before going to Miami.

**FRED A. SNYDER**, for many years a New York Life agent at St. Paul, died at age 72. He retired in 1947.

## National Advertising Is Listed for August

Following is the national advertising which life companies have reported for August issues of the publications listed. Where no date is indicated, the publication is monthly.

John Hancock—*Life*, Aug. 23, *Look*, Aug. 10, *Newsweek*, Aug. 2, *U. S. News & World Report*, Aug. 27.

Massachusetts Mutual—*Newsweek*, Aug. 9.

Metropolitan—*American Magazine*, *Business Week*, Aug. 28, *Collier's* Aug. 6, *Cosmopolitan*, *Forbes*, *Good Housekeeping*, *Ladies Home Journal*, *McCall's*, *National Geographic*, *Newsweek*, Aug. 2, 30, *Saturday Evening Post*, Aug. 21, *Time*, Aug. 16, *U. S. News & World Report*, Aug. 20, *Woman's Home Companion*.

Mutual of New York—*Collier's*, Aug. 20, *Life*, Aug. 16, *Newsweek*, Aug. 2, *Saturday Evening Post*, Aug. 21, *Time*, Aug. 30.

New York Life—*Country Gentleman*, *Newsweek*, Aug. 16, *Successful Farming*, *Time*, Aug. 9, *U. S. News & World Report*, Aug. 6.

Phoenix Mutual Life—*Coronet*.

## Joyner Baltimore G. A.

Manhattan Life has appointed Alton N. Joyner as general agent at Baltimore, with offices in the Equitable building. Since returning from air force service in 1945 he has been with Home Life of New York and more recently has had his own insurance business. Before the war he was in the Fidelity & Deposit home office in Baltimore.



Alton N. Joyner

## LOMA Brings Out Study

*Life Insurance Buildings*, a study of insurance company plants, has been published by Life Office Management Assn. Author is Arthur O. Angilly, an architect. Contents includes the building program from preparation to planning, costs of construction, considerations in design, selection of a site, choice and responsibility of the architect, and construction of the building.

Several phases of the building program are illustrated in a series of 18 exhibits. Copies are \$7.50 each and may be obtained from the association at 110 East 42 street, New York 17.

## Mersfelder Agency has Outing

L. C. Mersfelder, Oklahoma City general agent for Kansas City Life, held his annual agency outing at the Sequoyah Club, near Tahlaquah, Okla. Attending from the home office were Joseph R. Bixby, assistant secretary; Maurice R. Smith, assistant superintendent of agencies; and Verne N. Barnes, director of field training.

## B.M.A. Stages Two Rallies

Business Men's Assurance held sales meetings at San Francisco for agents there and at Sacramento and also at Albuquerque for New Mexico agents.

J. P. Baldwin, BMA vice-president and San Francisco manager, presided there. Attending from the home office were W. T. Grant, chairman; L. L. Graham, vice-president, and Lilly Hopkins, sales assistant. A.J. Johnstone, Sacramento manager, assisted Mr. Baldwin.

At Albuquerque, Manager H. A. Quist presided, assisted by Gerald McBride, district manager at Roswell. Representing the home office were G. J. Tritch, field manager, and H. C. Pogue, group vice-president.

## Mutual Benefit Workshop

Mutual Benefit Life held a three-day property planning workshop at Cincinnati, conducted by George B. Gordon, director of advanced underwriting services, and James C. Wriggins, assistant counsel. Agents from Akron and Cincinnati attended.

## Monumental Elects Davis

Allen A. Davis, Jr., counsel of Monumental Life, has been elected a vice-president. He has been with the company since 1946.

## To Reinsure Disability Lines

Beneficial Fire & Casualty of Los Angeles has applied to the California department for a permit whereby Beneficial Standard Life, sole stockholder of the property company, will reinsure all disability policies of the petitioner. The property company, which in 1953 had disability premium income of \$194,951, no longer will write that coverage.

## Geller Tops Pacific Mutual Agents 2nd Successive Year

National production champion of Pacific Mutual Life for the second successive year is Abram L. Geller of Houston who is with the Moore general agency. As a result of topping all other producers in combined new life insurance, A&H and retirement plans placed during the past 12 months, he continues as president of Pacific Mutual's Big Tree Club.



Abram L. Geller

This is the fourth time in his 27-year career that Mr. Geller has been the production leader. He also was on top in 1933 and 1943 as well as last year. He is a life member of the Million Dollar Round Table.

Runnersup, winning the designation of club vice-president, are C. Porter Hochstadter and R. Earl Denman, both of Cincinnati, William R. Balkin, Chicago, and Ransom E., Strickland, Norfolk, Va.

Emily Thompson, Des Moines, was the leading woman agent. During the year, Sheila Astley, Port Angeles, Wash., became one of only two women to qualify for the company's Million Dollar Club. The only other woman, Lottie Schmith, Cleveland, qualified for the million-in-force club in 1946.

## N. Y. Assn. Move Delayed

Alterations in the quarters to be occupied by the New York City Life Underwriters Assn. in the Duane hotel, 237 Madison avenue, have necessitated a delay in the organization's move to August 20. The association was originally scheduled to move during the week of July 12 from Hotel Statler, where it has been located for many years.

Meetings of the board of directors and the field agents' advisory council will be held in the air-conditioned meeting room in the Hotel Duane. The monthly educational meetings and the annual sales congress will be held in larger hotels in mid-town Manhattan.

● J. Wilson Newman, president of Dun & Bradstreet, has been elected a director of Home Life.

# 80¢ = \$52,400!\*

Unbelievable? Not at all. This is the initial volume provided by 80c per day with one of the many combinations through which the Central Standard Life field man meets today's challenging need for maximum protection at low cost.

\*Age 30 \$5,000 Ordinary life plus \$250 per month 20 year Income Protector Rider.

## CENTRAL STANDARD LIFE

*Founded 1905* — **INSURANCE COMPANY**

211 W. Wacker Drive Chicago

General Agencies available . . . write Robert W. Staton, Director of Agencies

# Sales Ideas That Work

## Life Insurance Plays an Important Role in Key-man Plans, Davies Tells MDRT

If a close corporation case depends for its completion upon the need for life insurance to pay federal estate and state inheritance taxes, the corporation must have a value of \$1 million or more if the case is to develop a substantial sale of life insurance, Edwin G. Davies, general agent at Los Angeles for Manufacturers Life, told room-hoppers at the MDRT meeting at Coronado, Cal. His topic was "A Simple Procedure to Sell Substantial Policies in Close Corporation Cases".

Substantial policies can be sold and the corporation need not exceed \$1 million in net worth, he said, if these factors are present: The principal part of the estate must be stock in a closely held corporation; the prospect can, and preferably should be, an executive, and must be a stockholder in a close corporation in which there are one or more additional executive stockholders having interests about equal to his.

Furthermore, the stockholder or holders should be happily married, with children; the younger the executives the better; and the corporation should be successful, having high earnings in relation to its net worth. Given these conditions, cases will be successful and profitable for all concerned.

There are pension and profit-sharing plans which favor these key executives, he said, and they can be made more effective or aided in their operations by the use of life insurance. These plans provide compensation that will give adequate family security and personal retirement and which avoid or postpone the impact of high personal tax rates which hit the top executive today.

He discussed two of these plans, the first being the deferred payment contract between executives and their companies. This type builds up capital for an executive within the company and pays it out to him or to his family after retirement or death. It involves the use of income after retirement as a substitute for salary increases today.

It works this way: An agreement is entered into between the corporation and each key executive, the corporation agreeing to make certain stipulated annual payments for a specified number of years or for life to the executive, or if he died, to his family. The payments commence on the date his employment is severed but are paid only if he does not thereafter enter into certain defined forms of competition with his company. He will agree in some cases to make himself available as a consultant to the company in fields in which he is particularly competent. In this way the business gets the protection and benefits its desires and the executive is given future security.

The second plan is the stock option plan, enabling the executive to participate in a raise in the value of company stock, thus building his net worth without tax to cash in for himself at capital gains or to hold his stock so that at his death his family can cash in without income or capital gains tax.

Life insurance plays a very important part in these executive stock plans, he said. After the stock is made available to an executive, the corporation obligates itself to redeem the stock on the executive's death, and in many

cases life insurance should be used by the corporation to underwrite this obligation. Then the corporation will receive the insurance proceeds tax-free, the executor can buy the stock tax-free, and the executive's family can realize the gain up to the time of his death without capital gain or income tax liability.

The great value of the stock option plan, Mr. Davies said, lies in its power to attract first class executive talent and to keep that talent in the company. It is believed that its value and appeal to the executive can exceed that of almost any cash bonus.

The executive gets a "free ride" on the appreciation of the company's stock; he or his family in the event of his death directly benefits at deferred and favorable tax rates in anything he can contribute to building the value of the stock; and his capital is not diminished if he's wrong.

The need for cash is great when it comes to disposing of the estate of a minority stockholder, Mr. Davies opined. The stock must be sold even where the estate holds other assets. The executor must choose between the sale of the minority interest, the sale of securities and bonds, or the use of cash from life insurance, to pay death bed and funeral expenses, probate and administration expenses, as well as state inheritance taxes and federal estate taxes.

In few circumstances would the prudent executor hold such stock as a part of an estate's assets while liquidating revenue-producing assets to pay estate taxes, etc. Furthermore, the widow, unacquainted with the value of the minority stock, often demands an unrealistic price—this on top of the

fact that it is difficult to secure even a reasonable price for the stock.

The minority stock, continuing in the estate, will demand lower salaries, an end to expansion, and a distribution of earnings as dividends. The surviving stockholders will, controlling the corporation, refuse to pay dividends as long as possible. They will stress expansion for competitive reasons.

A minority stockholder's suit about salaries or dividend policy naturally would be watched with interest by a federal agent intent on proving that the corporation was retaining earnings for other than the reasonable needs of the business. Expense accounts, present and past, questioned by a minority stockholder's estate representative, could prove a real source of trouble. And the result will be complete disharmony, which can monopolize energies to the detriment of good management and prevent long-term success of the business.

Nothing more than the presentation of these facts, Mr. Davies concluded, is usually necessary to sell the need for a stock retirement program using a buy and sell agreement between the corporation and each stockholder.

The attorney and accountant will be completely cooperative if approached by the life insurance agent in a manner that makes clear his interest in the case is the underwriting of life insurance. He should indicate he is entirely competent to handle that aspect, but that he realizes the drawing up of legal documents and the drafting of the wills is the attorney's field, and that determining the book value at which the stock is to exchange hands and calculating taxes and other computations is the bailiwick of the accountant.

## Sales Panelists Offer Ideas That Work at Two Provident Mutual Regionals

More than 120 agents, general agents and managers attended Provident Mutual's second and third regional sales meetings at Evergreen, Colo., and Coronado, Cal. The two meetings brought together agents from central Illinois, Chicago, Colorado, Dallas, Duluth, Houston, Indianapolis, Iowa, Kansas City, Kentucky, Memphis, Milwaukee, Minneapolis, Sioux City, Omaha, St. Louis, Los Angeles, San Francisco, Oakland, Portland, San Jose and Seattle.

President Thomas A. Bradshaw welcomed the field men and their families at Evergreen. Both meetings were closed by James H. Cowles, vice-president and manager of agencies.

Presiding at various sessions were John T. Wilver, assistant manager of agencies; Everett D. Armantrout, director of agency research; E. Roy Hofmann, associate manager of agencies; and C. Sumner Davis, associate manager of agencies.

A panel at Evergreen discussed simple programming in action. Robert W. Retz, Minneapolis, said he stresses the single interview as much as possible. F. Chase Stevenson, Indianapolis, demonstrated programming through presentation of an educational policy. James E. Williams, central Illinois, said simple programming is a matter of motivating the prospect by uncovering his

needs. Julien Zehnder, Kentucky, warned against a complicated prospectus that necessitates several calls and underlined the importance of keeping the interview simple and to the point.

In another panel at Evergreen George E. Aiken, Iowa, showed how a previous sale of A&H makes for a well-founded discussion of life insurance. "You are no longer working in the dark," he said. Albert C. Anderson, Minneapolis, said an agent must include A&H in his personal program if he intends to sell it, and it must be sold after life insurance has been fully programmed. At the interview he inflates a penny balloon, indicating it stands for fixed income. For each definite liability, such as mortgage payments, and food, clothing, doctor and dental bills, he places a book on the balloon. He then bursts the balloon, telling the client that when income stops, so does balancing of the books.

On the same panel Coleman Clark, Chicago, pointed to the advantage of having A&H and life in the same company. Howard Spitzberg, Dallas, said the burden of accident or sickness is financially worse than death, for medical expenses can occur again and again.

In an Evergreen panel, "Sales Ideas at Work", Garnett Y. Clark, Baltimore-Washington, said that juvenile insurance for some time has been related

## NQA 1954 WINNERS

### TEN YEAR QUALIFIERS

NATE KAUFMAN... Shelbyville, Indiana  
FINCK DORMAN... Houston, Texas  
MALVERN MARKS... Fort Worth, Texas  
H. BRUCE VEAZEY... San Antonio, Texas

### QUALIFIERS FOR NINE YEARS OR LESS

ILLINOIS  
Reginald E. Sheppard  
Kenneth P. Sheppard  
Stanley M. Krawczyk

INDIANA  
George W. Anawalt\*  
Louis M. Carr  
Julian W. Schwab  
W. G. McClelland  
A. R. Meyer  
Francis H. Davis  
Maurice A. Kennedy

Harry M. Fleenor  
D. R. Johnson  
W. Ari Long  
Eugene K. Druart  
Doyal E. Plunkitt  
Harry H. Huston  
Curt McClelland

IOWA  
Arthur J. Goodman

OHIO  
Russell Farmer

LeRoy L. Snyder  
E. Lowell Rife  
Elmer Hansbarger  
Peter Scaffidi

MICHIGAN  
Joseph J. Wendt  
Guy E. Fairfield

MINNESOTA  
Ernest Herzog

Wilbur H. Nylan  
Arthur M. Klinefelter  
Charles E. Taylor  
Robert E. Hansen

TEXAS  
J. T. McClelland  
Edgar T. Russell  
C. B. Ingram, Jr.  
Paul Hamon

\*Deceased

WALTER H. HUEHL, President • ARNOLD BERG, C.L.U., Agency Vice-President

# INDIANAPOLIS LIFE

INSURANCE COMPANY

Mutual—Established 1905

INDIANAPOLIS 7, INDIANA

AGENCY OPPORTUNITIES in Illinois, Indiana, Iowa, Ohio, Michigan, Minnesota, Missouri, North Dakota, Texas



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to small policies sold for the purpose of educating children or teaching them thrift, or indemnifying parents against the expense of long illness or premature death. He pointed out that a new concept of the place for juvenile insurance is in the favorable tax picture as applied to wealthy grandpar-ents.

Anton W. Koester, Minneapolis, stressed building confidence and giving service. Sid Rotz, central Illinois, showed how he uses key-man plans as a door-opener through which other business insurance needs are uncovered. Ross Whetsel, Denver, said a business insurance sale is the combination of intelligent prospecting, the prestige and reputation of the company, the skill of the agent and the confidence which the prospect has in him. There is also the element of "timing."

Coronado panels followed the same lines as those in Evergreen. In the one devoted to simple programming, William S. Davidson, Los Angeles, said he uses a demonstrator as the pivotal point to turn off arguments or to play up a sales point. Programming 100% of the time, he said he finds about one-third of his prospects will act immediately, one-third within two years and one-third perhaps within five years. Douglas Gilmour, Los Angeles, would have the conservation center about things of interest to the prospect, because the ordinary prospect buys the benefits of the policy, not the mechanics.

Jerry D. Olson, Los Angeles, said the greatest bulk of his sales comes from simple programming; he urged continuous review and service to build client and prospect lists. Dayton Sayer, 3rd, Los Angeles, showed how selling is made easier by a recommendation.

In the Coronado panel on A&H selling, Edwin F. Bandy, Portland, Ore., said an insurance program remains incomplete unless adequate provision is made for disability income protection. Warren H. Helm, Los Angeles, said the life agent selling A&H should have definite ideas as to its use and place in each program.

Charles F. Venden, Los Angeles, said that perhaps the best way to sell A&H to young people is to tie the approach in with the mortgage cancellation policy. In this way the young home buyer knows that whether he dies or is disabled, his family will retain the home. Philip J. Wolgemuth, Seattle, said A&H can be thought of as a supplementary selling aid to the life agent because it extends a personal service to all personal coverage. The frequency of A&H claims also brings the agent closer to insured. Finally, when a life sale must be deferred very often, the agent can turn the interview into A&H.

In the discussion of "Sales Ideas at Work" Robert S. Albritton, Los Angeles, said a familiarity with tax laws and the use of life insurance as part of estate planning is essential to the agent who expects success in this field. A knowledge of the client's business and estate affairs should be coupled with this. Frederick M. Kenedy, Seattle, illustrated how a simple question can uncover substantial business insurance needs, how a smart agent can step in and fill in a poorly-planned program, and how estate planning for a business man is a real road to business insurance production.

Ted L. Robinson, Los Angeles, demonstrated an interview combining a well-prepared outline of specific ideas

and extemporaneous comments, saying he can take care of most objections this way. Frederic E. Supple, San Francisco, said he strives for a professional attitude at all times.

The fourth and final regional sales meeting will be held at Lake Placid, N. Y., Sept. 8-11.

● F. D. Wills has been named district manager at Longview, Tex., for American Investors Life. He has had his own insurance agency there and at one time was with American General Ins. Co.

## Ready Sales Congress Card for Wisconsin A&H Agents

Speakers for the annual sales congress of Wisconsin Assn. of A&H Underwriters in Milwaukee Aug. 27 have been announced. The business meeting will be held the following day.

Speakers include Charles H. Gilbert, manager, Woodmen Accident, Madison, Wis.; R. L. McMillon, manager for Business Men's Assurance, Abilene, Tex.; Armand Sommer, vice-president Continental Casualty; Chester C. Elson, general agent, Mutual Benefit, Waterloo, Ia.; Charles E. Rea, Ontario pro-

vincial manager for North American Life & Casualty; Reginald Snyder, manager, American Hospital & Life, Houston, Tex.

Following the business meeting the group will attend the Milwaukee Braves vs. New York Giants baseball game.

## Farmer Made Dallas Manager

American General Life of Houston has appointed Robert G. Farmer district manager at Dallas. For four years he has been assistant manager there for Great National Life. He had experience before that both as an agent and manager.

# WHOSE RESPONSIBILITY?

Insurance in total does the largest gross volume of any business in the United States. It is not the steel, oil, railroad, agricultural, banking, chemical or automobile industry that ranks at the top. Indeed, insurance is outdistancing its nearest rivals more noticeably every year.

So much for leadership on a volume basis, but now for a strange comparison. Any other business of the first magnitude supports its trade press from five to ten times more liberally than insurance. Select any major business you know to be progressive, dynamic and enlightened, and you will find that it is served by a strong, well patronized trade press whose papers carry dozens of full page advertisements in every issue.

By contrast, there are still entirely too many insurance companies that insert "cards" in their trade papers; small advertisements that run occasionally and for which the copy is changed only infrequently. Worse, a number of companies of consequence do *no* advertising in any of their trade papers.

Are all of the other important businesses of America wrong and the insurance business right about the size and extent of trade paper advertising? We think the reverse is true. We think the leading business of America should be served by the largest and most successful group of trade papers.

It is the insurance companies, not the insurance papers, that are in a position to make this possible. It is a responsibility that should be accepted.

## The NATIONAL UNDERWRITER

Largest Circulation of Any Weekly Insurance Newspaper



Number sixteen of a series.

## N. W. Mutual at Sales High: 1,800 Attend Agents' Rally

(CONTINUED FROM PAGE 1)

man, Muskegon, Mich. The vice-president is Clifford A. Seys, Grand Rapids, and the secretary is William C. Dunbar, Duluth.

The importance of life insurance dollars to the development of the American economy and how life company investments are made was graphically presented at the opening session. In the place of the usual president's address, Mr. Fitzgerald appeared in scenes during the presentation of a Lafin Jones insurance plan, "Peter Piper's Insurance Premiums". The theme was "Northwestern Mutual Dollars at Work"—for industry, for family security, to the agent and to the company. Mr. Jones, home office executive assistant, has written several insurance plays that have been presented nationally at agents' meetings.

One scene showed President Fitzgerald at his office explaining the company's investment program and portfolio, and he moved on to the trustees' room where the finance committee was holding a semi-weekly meeting. Six members of the finance committee actually were in the setting, with two investment vice-presidents and managers of four investment divisions.

During the play, the agent put the premium dollar into circulation by receiving it from the policyholder and turning it over to the company, which invests the money through its finance committee. The life of Oliver I. Dollar is shown in various scenes as it influences and affects the lives of the Peter Piper, policyholder, family; and how it will be available to the policyholder on retirement or to his beneficiaries on his death.

Mr. Fitzgerald in his role focused attention on some of the current problems affecting the business, calling the strong wave of price competition in the industry "an extremely heavy pressure area right now." He said he wondered how this would affect company balance, as understood by Northwestern Mutual. He said, "We would not have to hedge or weasel to explain to any policyholder his treatment as compared to that of another policyholder who has purchased a different amount or plan, or has chosen to die, surrender, or use a non-forfeiture benefit at some different policy duration than the first policyholder."

"But there are strong industry forces operating in relation to this balance," Mr. Fitzgerald stated. "No one here is prepared to accept second place for Northwestern in the overall long-term fight for cost supremacy—but if the traditional balance for all is to be maintained, it may not at the same time be possible to lick every loss leader and special designed to give advantage to the few."

A related factor in the current industry price race has to do with the agent's commissions, according to Mr. Fitzgerald. By some companies, he said, the buyer is offered a cheaper policy at the expense of the agent. And the agent is supposed to like this because he may be able to sell more policies. "The question is whether he can sell more—and how long he can—particularly if all competing companies are driven to pursue the same course as the few. Will such a development really enlarge the market? We wonder. We think there is a serious question of the ultimate effect on the compensation of the American underwriter."

Mr. Fitzgerald said this, too, is a force to be studied so that there is a good balance between the marketabil-

ity of Northwestern Mutual policies and what the agent is paid for selling and servicing them. Such study in the past has moved the balance in favor of the agent, he said, mentioning such developments as institution of the retirement plan, persistency fees and recent compensation increases.

Looking at the market from another angle, Mr. Fitzgerald said there always are internal and external forces applied to get Northwestern Mutual to extend the scope of what it has to sell: More plans, new plans, more ages, more facilities for pension underwriting, substandard, etc.

It is Northwestern Mutual's belief, he continued, that extended scope means some dilution of effort, and "our balance has been maintained over the years in the direction of doing less and doing it extremely well." He added, however, that the balance point of 1945 may not be the proper balance point of 1955. "We believe in motion and change but—and this is not by accident—we are admittedly deliberate and slow. In a long-term business like ours everything of consequence must be decided at least twice against the background of good times and against the background of bad times, in terms of its consequences tomorrow and after we're all dead and gone."

Grant L. Hill, vice-president and director of agencies, in his talk announced several new items of interest to agents, including a new family income contract which soon will be released. He added that agents soon would be sent forms for naming personal beneficiaries on their renewal equities. For agents with substantial renewals, a spread-out plan of paying equities in the event of death, disability or retirement was being readied.

With company sales in June running 18% ahead of last year, making it the largest June production ever, Mr. Hill predicted that for the balance of the year production would reach new heights.

Company production honor awards were presented by Mr. Hill, Jack N. Meeks, Columbus, O., being the gross volume leader with paid-for production of \$2,525,159. Aaron C. Finkbinder, Jr., Philadelphia, is the net volume leader. Excluding employee trust business, his production was \$2,010,363. Lewis T. Stearn, Minneapolis, led in net lives with 152.

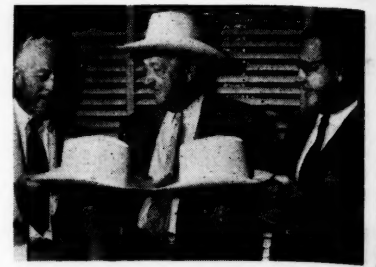
J. Lowell Craig, Milwaukee, won the general agents' achievement cup. The district agency cup was won by J. Kenneth Roberts, Fond du Lac, Wis. The C. R. Eckert agency at Detroit, with \$18.5 million, was volume leader among general agencies, and J. B. Cardiff, Racine, Wis., led district agents in sales with \$2,912,620.

Having as a theme "Sales Opportunities Unlimited", the agents' program featured several scintillating addresses on selling by producers able to point to large sales volumes as proof of the effectiveness of their theories.

Addressing a friendship luncheon for agents attending their first annual meeting, Carl F. Melhop, San Francisco, reviewed fundamentals of selling, stressing there only are three phases of the business to worry about initially, namely, get a name, go see the prospect, and try to sell him.

Discussing prospecting, Archie A. Campbell, Minneapolis, told how he makes use of the telephone while Charles A. McCotter, Indianapolis, explained the reference method.

Mr. Campbell suggested that agents sit down about twice a week in the



Clarence J. Daly, left, president and Thomas F. Daly, II, right, vice-president and agency director of Capitol Life of Denver, were inducted as ex-officio members of the company's Old Guard organization. They received white stetsons, official badge of the organization, from Frank H. Devitt, Denver manager and chairman of the Old Guard, eligibility for which is three years of consecutive service and a half-million in force.

evening with a prospect list made out in advance, including information about the prospects of a personal nature that will arouse interest. The numbers should be noted in advance to save time. If the agent sticks to the job until he has called 10 or 12 persons a lot of business can be developed over the telephone, he said.

Mr. Campbell believes the popular notion that 90% of an agent's job is prospecting and 10% selling can be reversed through telephone prospecting. Everybody knows how to get lists of prospects, and with a little practice on the phone can cover them quickly and effectively.

Mr. McCotter explained how he uses policyholders, friends and other influence centers to help get him before the right people on a favorable basis.

C. F. Stansberry, Jr., Joliet, Ill., mentioned that competition with successful fellow-agents has helped him to become a better producer. He outlined several basic ideas in business insurance areas.

Robert L. Scharff, St. Louis, considered prospecting via "orphan" policyholders, centers of influence and personal contacts developed through civic, charitable and social activities. In his telephone approach to orphan policyholders, he offers service and

(CONTINUED ON PAGE 16)

Greater Benefits for your clients . . .

### ILLINOIS MUTUAL'S New Major Medical Expense Plan Protects Your Clients against Catastrophic Medical Costs

Now there is an Illinois Mutual plan to fit the specific needs of each of your clients!

In addition to many other sales producing policies available, Illinois Mutual's newest policy covers catastrophic medical costs, providing the extra money where and when your clients need it most. The policy covers ALL medical expenses in full after the first \$500 — \$750 or \$1000 deductible expense up to \$5,000 — \$7,500 or \$10,000 with limitations only on the amount of daily hospital room and ambulance costs and provides for rental rather than purchase of mechanical aids.

Add this policy to your list of plans and make your portfolio a kit full of sales.

Territories open in Illinois, Indiana, Ohio, Michigan, Minnesota, Missouri and Wisconsin.

## Illinois Mutual Casualty Co.

(non-assessable)

HOME OFFICE: 411 LIBERTY ST., PEORIA, ILL.  
E. A. McCord, President, C. C. Inman, Executive Vice President  
The best in accident, sickness and hospital insurance since 1910.



## GLOBE LIFE INSURANCE COMPANY

Attractive Agency Contracts

### COMPLETE LIFE INSURANCE

### COVERAGES—Ages 0-60

For Particulars Write Home Office

159 North Dearborn St., Chicago 1, Illinois

WILLIAM J. ALEXANDER, PRESIDENT



A Combination Company offering all forms of Ordinary Life, Weekly Premium Life, Hospitalization, Health and Accident, and Credit Life Insurance.

**\$152,372,652**

Life Insurance in Force June 30, 1954

**Our 47th Year of Service**



## Four Get New Status at Berkshire Life

Berkshire Life has elected Merrill R. Tabor, secretary since 1948, as vice-president and secretary; Albert L. Hall, general counsel since 1952, as vice-president and general counsel; Elgin R. Batho, associate actuary since 1948,



Merrill R. Tabor



Albert L. Hall

as research actuary, and Hamilton M. Redman, vice-president and treasurer, as a member of the board to fill the unexpired term of the late Hale Holden.

Mr. Tabor joined the company in 1927 and served in the policy loan department, the Pittsfield agency, the accounting department and as personnel director before being elected assistant secretary in 1943.

Mr. Hall was in private law practice in Worcester, Mass., before joining the company in 1937 as attorney. He rejoined Berkshire as counsel after air force service and in 1951 was elected associate general counsel.

Mr. Batho went with Berkshire in 1946 as assistant actuary, following experience with Great-West Life, Bankers of Iowa and Equitable Life of Canada. He is a fellow of Society of Actuaries and Casualty Actuarial Society.

## N. W. National Appoints Bean, Beasley in Kan.

Northwestern National Life has appointed Ray E. Bean manager at Springfield, Mo., and Carlton J. Beasley assistant manager of the central Kansas agency at Wichita. Mr. Bean formerly was assistant manager of the central Kansas agency, while Mr. Beasley was district manager at Springfield.

Mr. Bean, who joined the company at Springfield in 1950, will be responsible for an enlarged territory including a number of counties in southwest Missouri, southeast Kansas and northeast Oklahoma. Mr. Bean joined Northwestern National at Pierce City, Mo., in 1950.

## Conn. Mutual Plans Wing on Home Office

Architects have begun preliminary work on plans for an additional wing for Connecticut Mutual Life's home office at 140 Garden street, Hartford. The firm of R. B. O'Connor and W. H. Kilham, Jr., of New York City, which designed the original building and two additions, are the architects for the new wing. Work will begin within three or four years depending on necessity and building costs.

The wing is tentatively planned for the north side of the building to balance the south wing and follow the same general Georgian architecture of the rest of the building. It is designed to take care of expansion for the next 10 to 15 years.

## Life of Ga. Promotes Two

Life of Georgia has promoted Richard A. Hurd, formerly manager of the home office planning and methods department, to coordinator of office operations, and has named John H. Bil-

lue, formerly administrative assistant in the general clerical and accounting department, to succeed Mr. Hurd.

Mr. Hurd joined the company in 1950. Mr. Billue, who joined in 1947, was appointed assistant manager of the general accounting department in 1948 and administrative assistant in 1953.

## Sports Have Small Role in Fatal Accident Picture

Competitive sports share only a microscopic portion of the blame for accidental deaths, Metropolitan Life's statisticians report. In a two-year study of causes of deaths among males between 10 and 29, they found that less than one in 300 accidental fatalities, or only 11 during 1951-52, could be attributed to athletics.

In spite of the good record of the major leagues, baseball probably accounts for more fatal injuries than any other sport, but this, it seems, is a reflection of the game's wide popularity rather than the hazards of playing. In the period under study, baseball and softball accounted for four deaths, golf for three, basketball for two and football and track for one each.

It is impossible to compare the risk of fatal injury in the various competitive sports because figures on the number of persons participating in each are not available. However, football and boxing, the two most popular contact sports, are responsible for a large portion of accidental deaths.

New York City records show that the largest city in the country has averaged only three deaths from competitive sports for more than 30 years.

## Huntington A&H Assn.

### Officers Are Elected

Huntington Assn. of A&H Underwriters has elected Wilbur F. Lewis, Provident Life & Accident, president.

Charles V. Durr, Northwestern Mutual Life, was elected first vice-president; Robert Holdt, Aetna Life, second vice-president; Donald S. Stark, Provident L&A, secretary; and Glen Duval, Occidental Life, was elected treasurer. J. J. Hatcher, Paul Revere Life, presided.

## Phoenix Mutual Appoints 2

Phoenix Mutual Life has appointed W. Gregg Mesenbrink acting manager at Houston and Louis C. Hurd acting manager at Louisville. Mr. Mesenbrink, who succeeds Richard N. Chapin, who resigned to go with Tennessee Life, joined the company in 1950 at Portland, Ore., and has had management training at Minneapolis, Chicago and New York. Mr. Hurd, field supervisor at the home office since 1953, went with the company in 1947 at Washington, D. C., becoming agency supervisor there in 1952.

## Trudeau Brokerage Chief

George A. Trudeau has been appointed brokerage supervisor of the Salinger-Wayne New York agency of Mutual Benefit Life, succeeding Howard V. Williams, resigned. Mr. Trudeau has spent his entire life insurance career with the agency. He is a navy veteran.

## Pru Names Morgan at E. St. Louis

Byron L. Morgan, who joined Prudential in 1934 at Evanston, Ill., has been placed in charge of the East St. Louis district office. He succeeds John D. Gibson, who earlier this year was promoted to assistant director of agencies

## Has Meet for Mississippi Agents

Mississippi agents of Kansas City Life attended a sales conference at Jackson, Miss., conducted by Robert Gandy, general agent there, and Verne N. Barnes, director of field training.

## Life of Va. Announces New Group Annuity Rates

Life of Virginia has announced new group annuity rates. They are based on the company's 1954 annuity table with 3% interest and a 6% expense provision, and are applicable to single premium group annuity policies and to annuities purchased by funds under deposit administration policies. Interest guaranteed on deposit administration funds prior to purchase of annuities is 2½%.

In conjunction with the new rates the current minimum requirement of

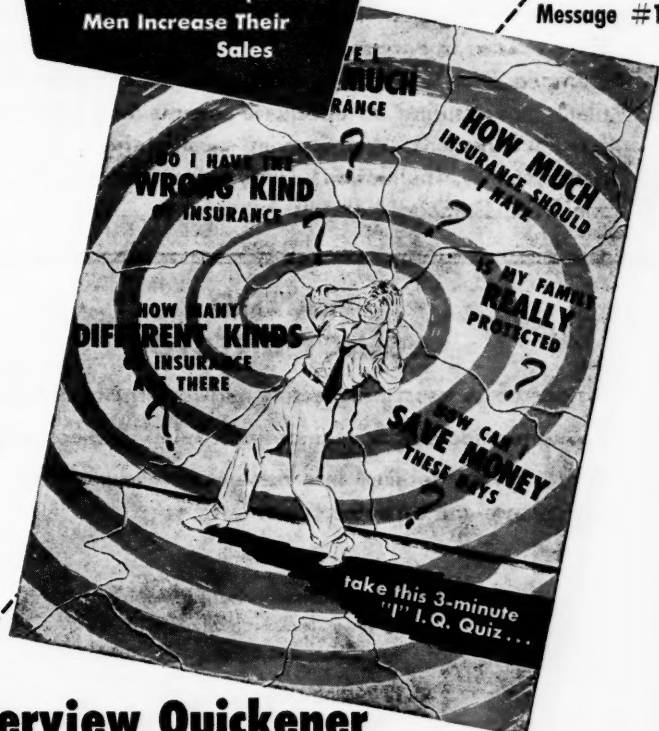
at least 50 lives for a single premium or deposit administration policy will be discontinued and an extra administrative charge of 6% of the difference between the premium paid and \$15,000 will be made for plans with less than \$15,000 in premiums.

## Caskey to N. E. Mutual

Robert E. Caskey has been named district group manager for New England Mutual in northern California with headquarters at San Francisco. He was group manager for Connecticut General at Chicago for seven years.

## A Door Opener with an I.Q.\*

One of a Series of Messages on New Ways Midland Life Helps Field Men Increase Their Sales



## \*Interview Quickener --Unique, Result Proven!

Yes, this is something distinctly different in Life Insurance selling helps. It's copyrighted by our own staff—and result-proven by our field representatives. A quick way to spark a profitable interview! But it is nothing unusual for Midland Mutual Life! It is merely typical of the many unique sales aids Midland's selling force has for boosting their sales—their income. And this special Home Office Cooperation extends to every phase involved in successful life insurance selling. That's why so many Midland men are regularly setting new records for themselves.

If you'd like a "look" at this new way of "opening doors" and other points of our "field-building" methods we'll be glad to hear from you. There's no obligation and it'll be confidential. Write Russell S. Moore, Manager of Agencies.

Watch for early appearance of Message #2 on "Interest Stimulators"

The MIDLAND MUTUAL Life Insurance Company

250 E. Broad Street

Columbus 16, Ohio

## Equitable Society's 95th Attended by 3,300

(CONTINUED FROM PAGE 1)

Mr. Murphy said: "The significance which I hope you will draw out of it is that a great vision in the hands of

an able, energetic and sound man can be the foundation of great results, results which could hardly be visualized in all their aspects by him who had the original vision and took the initiative. But Henry B. Hyde had complete faith in the possibilities of his plan and that

faith was the cornerstone of the present Equitable in all its greatness. There has, however, come down to us by inheritance a faith in the mission of the Equitable which can never be lost in the future."

Henry B. Hyde's life also illustrates that faith must be accompanied by works, Mr. Murphy pointed out, noting that from the start he devoted himself to the sale of policies, without which the venture would have been but an idle dream. Beginning with two agents in 1859, the company concluded its first year with an agency staff of 229. While many of these agents devoted only part of their time to selling life insurance, having other occupations as well, Mr. Hyde believed in the financial opportunities of full-time sales work and constantly encouraged men to undertake it.

Mr. Hyde's personal activities permeated the conduct of the business. At the start he and the first actuary, George W. Phillips, performed the office work and conducted the correspondence and had the help of one office boy and an outside copyist. In the midst of all this activity, Mr. Hyde interviewed callers, purchased supplies, took many trips to establish new agencies and recruited agents, wrote sales promotion and advertising copy and then went about New York City selling life insurance.

"Indeed he often got up from his desk, and went out with an agent in the middle of a busy day to persuade an important but reluctant prospect to sign an application," said Mr. Murphy. "Certainly no one could ever say that Henry B. Hyde was lacking in appreciation of the vital importance of agency work in the success of a life insurance company."

Despite such interest in sales endeavors, it is a far cry from the limited knowledge of life insurance possessed by these early pioneers to the extensive knowledge required of the agent today, Mr. Murphy observed. It is necessary today, and he predicted that it will be even more necessary in the future, to give agents expert educational training, a constant flow of instructional and promotional material, and such assistance as is given to complex underwriting problems by the company's special services division, and guidance, particularly to the new-

## McIntosh Advanced by New England Mutual

New England Mutual has elected

James B. McIntosh assistant to the president and assistant secretary. He joined the company in 1945 as a security analyst and in 1950 was appointed administrative assistant. He was chairman of the insurance section of the greater Boston community fund earlier this year.



James B. McIntosh

er men, both in knowledge and in sales technique such as is available through Equitable's managerial system. He said that Equitable is "proud to believe" that it has been a leader in the agency education and training and that it will bend every effort to continue to be a leader.

Mr. Hyde's two basic ambitions—to liberalize contract terms and company practices and at the same time adhere to sound principles—are as fundamental now as they were then, said Mr. Murphy. In 1859 there was no incontestable provision. Issuance of policies without travel restrictions was unknown. Death claim payments were customarily delayed for 60 to 90 days. As Mr. Hyde became convinced that such restrictions could be removed without endangering the young institution, he removed them. The most dramatic was his introduction of the incontestable clause in 1879, a step that he undertook only after careful observation of the care being exercised in the initial selection of risks, and the reliance which he had learned from experience could be placed on such selection. Two years later he had the courage to promise immediate payment of claims upon receipt of proofs of death without waiting the usual 60 to 90 days for investigation.

"The important lesson to be learned

## WANT ADS

Rates—\$18 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER—LIFE EDITION

## OPPORTUNITY Group Sales Supervisor

A well established and growing Group Department of one of the nation's most progressive insurance companies is looking for the right man to fill an important position as Group Sales Supervisor for North Carolina and Virginia. Compensation will be by salary and an incentive bonus plan, thus assuring an adequate income and opportunity for advancement. Write giving qualifications and experience to A-9, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

## WANTED AGENCY DIRECTOR

for one of the most progressive midwestern life companies. Young to middle-aged man desired. Salary and commission. Write, giving detailed information as to experience, education, age and other pertinent data, to:

Box A-15

The National Underwriter Company  
175 West Jackson Boulevard  
Chicago 4, Illinois

Replies will be kept confidential.

## OPPORTUNITY IN SOUTHERN CALIFORNIA FOR SALES EXECUTIVE

A vigorous, fast-growing California company needs a top-flight sales executive. If:

1. You are aggressive and energetic
2. You have a thorough knowledge of Ordinary Life and A & H insurance
3. You are experienced in sales promotion and in recruiting and training salesmen
4. You have had experience in developing agency relationships
5. You have executive ability to supervise others
6. You want a future limited only by your own ability,

write to us in detail about your educational, business and personal background. Replies will be held strictly confidential. Box A-17, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

(Our employees know of this ad)

## EXCEPTIONAL MANAGERIAL OPPORTUNITY

Large Chicago general insurance underwriting agency with extensive brokerage connections wishes to appoint experienced Life man to manage new Life Department. This agency now represents one of America's oldest Life Insurance Companies writing Life, Non-cancellable Sickness and Accident and Group Insurance. Good salary plus profit sharing. Write L. F. Hawley, President, Newhouse and Hawley, Inc., 135 S. LaSalle St., Chicago, stating qualifications. Replies held confidential.

## SUPERVISOR WANTED

Established Life agency in Los Angeles needs Supervisor. Preference given to young man desiring training for own General Agency. Starting salary \$4,800.00 plus bonus. Earnings should exceed \$7,500.00 per year. Address A-34, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

## ESTABLISHED CONSULTING PRACTICE

Will pay cash for an established consulting practice. Supply full details in reply. Address Z-73, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

## ACCOUNTANT

Large Life Insurance Company, Dallas, Texas needs chief accountant with executive ability. Must be certified and have life insurance tax experience. Age 30 to 35. Excellent future. Write Box No. A-32, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

## AGENCY MANAGER WANTED

For established branch office in Atlanta Ga., one of South's finest markets. Salary and incentive compensation, with old, established Southeastern company. Replies confidential. Address A-23, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

## ACTUARY UNDER AGE 30

Excellent opportunity for Fellow or Associate with rapidly growing medium sized eastern Life Insurance Company writing Ordinary, Group and Accident & Health. Write giving full particulars to Box A-18, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

## If You Are Good Why Play "Second Fiddle?"

If you are a good producer, we have an unusual DIRECT CONTRACT which automatically puts you in "first chair" with a "virtuoso's share" of the premiums.

We have an exceptionally fine portfolio of standard and special life policies, plus accident, sickness, surgical benefit and hospitalization coverages

DIRECT AGENCY openings in:  
Maryland, Ohio, Indiana,  
Iowa, Kentucky, Missouri,  
Mississippi and  
Arkansas.

WRITE TO:  
J. DeWitt Mills  
Supt. of Agents

**Mutual Savings Life**

5701 Waterman

St. Louis 12, Mo.

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from Mr. Hyde's example is that progress in our business springs from an innate desire to improve our service to policyholders and to strengthen our offers of service to the public," said Mr. Murphy. "But before we can decide that a change is an improvement, we must satisfy ourselves that the change does not imperil our soundness."

Besides Mr. Murphy the banquet speakers were John Lord O'Brian, distinguished lawyer, and J. Reuben Clark, Jr., of Salt Lake City, a leader in the Mormon church and vice-president of Beneficial Life, both members of Equitable's board of directors.

The opening general session Monday had Alvin B. Dalager, senior vice-president in charge of affairs, as chairman. He welcomed the conferees and later in the morning talked on the work of his department and announced Equitable's new "adjustable whole life" policy, which is described elsewhere in this issue.

Other first-day speakers were Walter Klem, senior vice-president and actuary, Robert L. Hogg, senior vice-president and advisory counsel, Charles W. Dow, senior vice-president, and Charles W. Kellogg, a director.

That afternoon there were panels on insured home ownership, major medical expense, salary savings, special services, and pension trusts.

The following day there were panels on markets for the future and on selling for Equitable as a career, followed by President Murphy's closing address. In the afternoon there was a business insurance seminar sponsored by the Equitable CLU association which covered sales opportunities in the 1954 internal revenue code and business insurance.

#### F. G. Rollinger Makes Change

Frank G. Rollinger, an agent for Mutual Benefit Life at Sioux Falls, S. D., has joined the Rinkle agency of Massachusetts Mutual Life there. Mr. Rollinger was a general agent before returning to personal production in 1935. He is a life member of the Million Dollar Round Table and a past president of Sioux Falls Assn. of Life Underwriters.

United American Life of Colorado has been licensed in California.

## Service Guide

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## NALU Not Pondering Dues Increase, Separate Office

(CONTINUED FROM PAGE 2)

cussed the necessity for any further increase in dues beyond our present scale, authorized by the national council and the board of trustees at the Cleveland convention in 1953."

Mr. Gilmore wrote that he was attempting to confine himself to specific answers to the two questions posed by Mr. Crow "for I do not feel that it is proper for me to enter into a discussion of other details in your letters. As president I have studiously avoided expressing any personal opinion on location or on the excellent material that has been put out by the proponents of all the various areas simply because... it is not possible to separate a personal expression from an official position."

Asked for comment on Mr. Crow's letter and Mr. Gilmore's reply, E. J. Allen, John Hancock, chairman of the New York City location committee, told THE NATIONAL UNDERWRITER that his committee was not prepared to make a statement but might do so shortly.

## S. N. Murphy Penn Mutual General Agent in Miss.

Penn Mutual has named Stanley N. Murphy general agent at Jackson, Miss., succeeding J. N. McLean, who is retiring from a agency management after 40 years to devote his time to personal production. Mr. Murphy joined the company in 1941. He is a past vice-president of Mississippi Assn. of Life Underwriters and president of Natchez chamber of commerce.



Stanley N. Murphy

## Temperature 102; B.M.A. Beacon Forecasts Snow

"The B.M.A. weather beacon blew its top."

That's the story that went out over the wire services throughout the nation and was repeated on nearly all of the top radio and television shows.

It all began July 20 when the temperature in Kansas City was 102 degrees at 7:30 in the evening. Suddenly the Business Men's Assurance weather beacon started through its full round of broadcasts, including snow and rain.

A Kansas City Star reporter noticed the confusion and a story appeared the following day along with a picture of a building employee checking the switches to find out what had gone wrong.

## Awards Two Scholarships

Winners of two four-year college scholarships awarded by Great Southern Life have been named. They are Dorothy Mae Hackleman, daughter of H. B. Hackleman, manager at Tulsa, and Floyd D. Barkley, son of Floyd C. Barkley, agent at Lampasas, Tex.

Beginning this year the company will award two scholarships annually under the program so that eventually it will be contributing to the education of eight sons and daughters of Great Southern employees. One scholarship will go each year to the child of an agent and one to the child of a salaried employee.

## Seminars Held in N. C.

The annual seminar on business insurance was held at University of North Carolina, Chapel Hill, in con-

junction with a seminar on program and estate planning, both sponsored by North Carolina Assn. of Life Underwriters and conducted by Institute of Insurance Marketing of Southern Methodist university.

Bert Jaqua, director of S.M.U. institute of marketing, directed the seminars on partnership problems and cases, close corporation problems and cases, the sole proprietor and profit sharing. The estate planning course included programming by formula, social security, N.S.L.I., sales techniques, time saving mechanics, visual aids and sales presentation.

## Boston Leads Ordinary Sales for Half Year

Boston showed the greatest rate of increase in ordinary life insurance sales in June with a gain of 9%, according to LIAMA, Detroit was next, 4%. Boston also held first place for the first six months, with a gain of 12%.

Percentages for the largest cities for June and the first six months were, respectively, Boston 9 and 12; Chicago 1 and 6; Cleveland -2 and 2; Detroit 4 and 2; Los Angeles -2 and 6; New York City -3 and -1; Philadelphia 1 and 2; and St. Louis -3 and 9.

## Huber Buys Buildings in NYC for Agency Uses

Solomon Huber Associates, New York City general agent of Mutual Benefit Life, has moved into its own modern five story building at 56 East 52nd street. Simultaneously the newer associates were installed in another newly purchased building at 485 West 22nd street, which will be the agency's teaching and training center.

The 52nd street property was bought for all cash by Mr. Huber above a purchase money mortgage of \$100,000. Offices are set up for one and two men occupancy, the lobby doubles as a waiting room with a receptionist in charge; a conference room is available for client interviews whenever other offices are taken.

Library facilities have been provided as in the former quarters, except that selected volumes and important tax services have been located at various strategic points to make them easily accessible. The wall paper along the stairway has been made up of worthless securities along the lines of the famous billion dollar gold room of the San Diego Athletic club.

In the fall, the agency expects to hold a series of house warming affairs for clients and industry representatives.

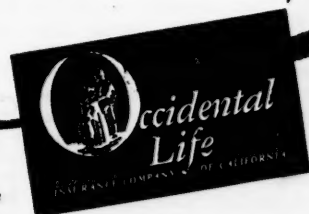
## FAMILY INCOME PERFECTED!

FAMILY INCOME for the usual 10, 15 and 20-year periods or to the insured's age 65 is very good as far as it goes. But does it go far enough?

We think not. That's why we offer \$10, \$15 and \$20 family income for 10 to 50 years — to any selected age of the beneficiary. Furthermore, we'll add it to any annual premium policy of level amount that will not expire during the income period, we'll apply it to part of a policy, or we'll add it to existing policies.

Teamed with Income Protection riders (family income without a chassis policy) Occidental's Family Income riders permit you to tailor graduated payments that exactly fit the buyer's needs.

This, we think, is family income at its best.



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W. B. STANNARD, Vice President

"WE PAY AGENTS LIFETIME RENEWALS... THEY LAST AS LONG AS YOU DO!"

## A. C. Adams Running for Reelection as Trustee of NALU

PHILADELPHIA—Albert C. Adams, John Hancock, Philadelphia, is running for reelection as a trustee of National Assn. of Life Underwriters. He has been in the public eye of late as chairman of the NALU social security committee. In that role he appeared before the ways and means committee and the senate finance committee.



Albert C. Adams

Mr. Adams was elected a trustee in 1952. He has been in life insurance since 1921, headed both the Philadelphia and Pennsylvania associations. He won the president's cup of the Philadelphia association in 1951 and has been active in charitable and civic work.

## N. W. Mutual at Sales High: 1,800 Attend Agents' Rally

(CONTINUED FROM PAGE 12)

creates attention on some minor point, such as not having the children named as contingent beneficiaries, or loans and dividend additions, etc. This leads to a try for an appointment, which generally is not too difficult to get, he said. From there on he moves into the programming approach, and, if the prospect qualifies financially, launches into a detailed presentation.

J. Vincent Talbot, Newark general agent, said the agent to do justice to his profession must look at life insurance as more than a business; rather as part and parcel of social and economic existence. To be a complete life insurance man, the agent must give his complete time and his complete life to the work.

A guest speaker was Dr. Kenneth McFarland, educational consultant for General Motors.

The proposed internal revenue code was reviewed by Charles B. McCaffrey, director of advanced underwriter training, and Horace H. Mickley, Los Angeles. The new tax law, as finally drawn by the compromise conference committee of the house and senate, is scheduled for an early appearance on the floor of both houses. Many of the important features applicable to life insurance are expected to pass without further changes.

A great number of the proposed provisions will have an effect on life insurance, according to the speakers. They mentioned a few of the significant highlights.

One of the most important is the proposed liberalized method of taxing income from annuity contracts, which will replace the former 3% rule. The cost of the annuity would be pro-rated over the life expectancy of the annuitant, and would be recovered tax-free in every instance except where the annuitant dies sooner than expected.

Two other provisions would add considerably to the flexibility and usefulness of life insurance. The first concerns the so-called transfer-or-value rule. Usually life insurance policy proceeds are exempt from income tax. Under the old law, however, proceeds of any policy, acquired by someone other than the insured for a valuable

consideration, were taxable as income to the extent they exceeded the cost of the policy. This rule interfered with some kinds of desirable and necessary business purchase arrangements, so the new law will exempt from the operation of the rule any transfers for value which are motivated by a legitimate business purpose.

The second concerns the federal estate tax. Under the old law, the proceeds of a life policy were includable (hence taxable) in the estate of the assured if he owned the policy, or if it were payable to his estate, or if he paid the premiums on it regardless of who owned it or to whom it was payable. The new law will drop the premium payment test, making it possible for life insurance to be treated the same as other forms of property—that is, it will not be taxed to a person who is not substantially the owner of it.

## FRATERNALS

### Fearing Crackdown, D. C. Fraternal Votes Dissolution

National Cooperative Insurance Assn., Washington, D. C., which writes Life, A&H and hospital covers, chiefly for government employees, has voted to dissolve within six months and re-insure in a commercial company. The decision was reached after Superintendent Jordan raised the question of whether the association, chartered as a fraternal benefit organization and licensed as such until April 30 of this year, was complying with the District of Columbia law applying to fraternal.

It is reported the association did not apply for license renewal.

The dissolution decision followed several conferences with the D. C. commissioners, to whom an appeal was taken from Mr. Jordan. National Cooperative was formed in 1938. Its officers include Ivan N. Fugua, president, and Frank Delaney, former legal officer of the Postoffice Department, and William Dougherty, an AFL official, vice-presidents.

Mr. Jordan has ruled in more than one case that cooperatives and benefit or relief organizations which do an insurance business should comply with the D. C. insurance law. He has been sustained by the district court in Washington in the case of Navy Mutual Aid, but the latter has appealed.

Metropolitan Police Relief Assn., at one time reported hoping for legislation to exempt it from the D. C. insurance law, has been waiting outcome of the appeal. Its attorney, Eugene E. Ditto, contends the police association is exempt from Mr. Jordan's jurisdiction as a relief association of federal D. C. employees.

### Mrs. Porter Is Promoted

Royal Neighbors has appointed Mrs. Christine G. Porter, Chelan, Wash., as Washington supervisor. She succeeds Mrs. Nora E. Danford, Renton, Wash., who was elected supreme auditor at the society's supreme camp in Buffalo. For five years Mrs. Porter served as a Royal Neighbor district deputy in Washington.

### Catholic Knights Buy Home

Catholic Knights of America has purchased a building at 6203 Gravois in St. Louis which after Sept. 1 will be converted for use as its home office.

• John C. Sloan, Albany, who will mark his 25th anniversary with Provident Mutual in August, has chalked up 180 consecutive months of production, missing only eight months of production since he joined the company in 1929.

## Late News Bulletins . . .

(CONTINUED FROM PAGE 1)

take Mr. Hatch's position at Stockton.

Mr. Goldback, who will take charge at Seattle Aug. 9, joined the company as an agent there in 1945, going to Portland as associate manager in 1950. Mr. Hatch went with the company in 1946 and has been manager at Stockton for more than four years. Mr. Hunke began as an agent at San Jose in 1946, became assistant manager at Seattle in 1950 and went to the home office earlier this year.

### Mutual Fund Sales Up \$15,558,000 in 1st Half

NEW YORK—Sales of new shares by Mutual Funds for the first six months of 1954 were \$375,123,000, up \$15,558,000, according to National Assn. of Investment Companies. These are for the 111 "open-end" companies. Assets increased \$805,000,000 since Dec. 31 to reach a new high of \$4,951,900,000. The increase since June 30, 1953, is \$1,090,000,000. There was also an increase in share redemptions. Redemptions amount to \$193,693,000 as against \$131,403,000 for the first half of 1953.

### Hancock Promotes Baughman At Home Office

John Hancock has appointed Chester Baughman, manager of the retirement division since 1948, as director of group annuity sales and service. He joined the company at Detroit in 1939 and in 1941 transferred to the group annuity sales department at the home office. In 1945 he was made manager of group annuity sales.

### Aetna Life Makes Home Office Changes

Aetna Life has promoted Theodore P. Stephens, Jr., agency assistant in the home office since 1953, to supervisor of general administration in the agency department, and has named Albert H. Kalkbrenner, supervisor at Cincinnati since 1950, as agency assistant in the home office.

Mr. Stephens joined the company at Milwaukee in 1946 and later was named agency cashier at Minneapolis. Mr. Kalkbrenner, who will serve as an instructor in the company's schools, went with Aetna Life in 1946 as estate control plan representative at Cincinnati.

### Hancock, CIO Agree on Industrial Pay Scale

John Hancock industrial agents have ratified a two year contract negotiated by Insurance Workers of America, CIO, for gains estimated at \$3.70 weekly, including \$1.60 a week in direct compensation and \$2.10 fringe benefits, such as improvements in the present pension plan, a new medical expense plan with benefits equal to 75% of expenses incurred during any two year period up to \$5,000, increased hospitalization and surgical benefits and improved allowances for disability. Pay increases of a guaranteed minimum weekly salary from \$60 to \$65 are to be paid on a commission basis.

• Because of unforeseen circumstances, district Manager Charles B. Wylie recently appointed at Fitchburg, Mass., by John Hancock, will remain at Kalamazoo, Mich. C. F. Thistleton, district manager at New London, Conn., has been transferred to Fitchburg, and Robert I. Reardon, assistant district manager at Nassau West, New York, who also was to have gone to Kalamazoo as district manager, will succeed Mr. Thistleton at New London.

### Fraternal Tax Question

Attorney General Dalton of Missouri has advised Insurance Superintendent Leggett that the 1949 premium tax law is to apply to out of state fraternal benefit societies which have reorganized as legal reserve, level premium life insurers, to the extent that the contracts of such fraternal are not assessable.

Homesteaders Life of Des Moines and Security Benefit Life of Topeka which reincorporated four years ago as legal reserve life companies were assessed on total premiums received. They claimed that premiums received from fraternal contracts are exempt under Missouri law.

MRS. EVA V. O'DONNELL, of Mitchell, S. D., who had been South Dakota supervisor of Royal Neighbors for 11 years, died in Lawrenceville, Ill. She was suddenly stricken with a heart attack at the home of a daughter where she was visiting en route home from the society's supreme camp in Buffalo. Mrs. O'Donnell served 36 years in the Royal Neighbor field department, starting in Illinois and working later in Tennessee, North Carolina, Kentucky, and South Dakota. She was a past president of South Dakota Fraternal Congress.

### New Boston Mutual Policy

Boston Mutual Life has added a double protection policy to its modern policy series. This is a limited payment life plan with premiums payable to age 65 only and with a double insurance benefit in the event of death before 65. Rates have been incorporated in a new sales manual, which includes recent revisions, such as a liberalization of industrial and ordinary underwriting rules and regulations and streamlined occupational ratings.

### Hallinan in Group Post

Kenneth J. Hallinan has been appointed head of the Chicago group and pension department of Johnson & Higgins.

Mr. Hallinan has spent 18 years in the group business. More recently he was manager at Chicago for State Mutual Life, having joined that company in New York in 1950. For 15 years he was with Equitable Society, both in the field and home office.

### Prudential Changes at Scranton

Prudential has made two changes at Scranton, naming Richard P. Barrett district manager of the Mid-City office, there succeeding Ramon A. Connor, who takes charge of the Mid-Valley office in the same city. Mr. Barrett joined the company in 1940 at Shamokin, Pa.



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Thank you, Hugh Bell!

Thank you, Bill Earls!

your thoughts about *The* **DIAMOND LIFE BULLETINS**  
should help every general agent or manager *interested in progress!*



Hugh Bell, C.L.U., General Agent, Equitable of Iowa, Seattle, says:

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William T. Earls, C.L.U., M.D.R.T., General Agent, Mutual Benefit, Cincinnati, says:

"The Diamond Life Bulletins Service is as essential to the progress of a life insurance agency as a law library is to the success of a law office. Its many tax facts, its broad scope of useful information, and innumerable field-tested selling ideas in every field of life underwriting, are literally worth millions."



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H. P. Gravengaard, Editor



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## Are you the master of your car?

**M**OTORING is a favorite pastime for millions of Americans . . . especially during summer when the countryside is so inviting. However, since traffic is heaviest during summertime, long vacation trips . . . or short weekend drives . . . can be hazardous.

Safety authorities say that motoring can be safer and more pleasant and relaxing if all drivers learn to keep their cars under control in varying road, weather and traffic conditions.

No driver should ever "take the wheel" when preoccupied, confused or fatigued. When perception is dimmed, no one can be sure he can control his car. If you are planning a long vacation tour, it is wise to keep the following facts in mind for your own safety

and that of others on the road.

The majority of accidents due to fatigue occur after long periods of driving. If long distances must be traveled in a day's time, pace yourself to avoid getting tired. If you do feel tired, pull off the road and take a short nap.

The competent driver always keeps control of his car by traveling at safe speeds. The rate of speed is still the greatest single factor in automobile accidents. In fact, if existing speed laws in every state were rigidly observed and enforced, many thousands of lives could be saved every year.

For safer summer driving, here are other precautions to take:

**1. Follow other cars** at a safe distance. This distance, of course, should be increased at night or when the weather is bad.

**2. Always be alert** for what other drivers may do, and try to anticipate their possible mistakes.

**3. Keep a sharp lookout** for pedestrians, especially at night and when passing through congested areas.

**4. Have your car regularly and thoroughly checked** by a competent mechanic, especially before taking a long trip.

If you are a relaxed and alert driver, and observe all traffic and safety regulations, summer motoring can be fun.

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